.30

Austria ... Sch 18	Indonesia .. Rp 2750	Portugal ... Esc 60
Bahrain .. Din 0.650	Italy .... L 1300	S. Arabia Rls 6.00
Belgium ... BFr 36	Japan Y550	Singapore . S$ 4.10
Canada ... C$2.00	Jordan ... Fils 500	Spain ... Pta 110
Cyprus ... C£0.60	Kuwait ... Fils 500	Sri Lanka ... Rup 30
Denmark . DKr 7.25	Lebanon .. £L 6.00	Sweden .. SKr 6.50
Egypt ..... E£1.00	Luxembourg LFr 39	Switzerland SFr 2.20
Finland .. Fmk 6.00	Malaysia .. Rin 4.25	Taiwan ... NT $85
France .. FFr 6.00	Mexico .. Pes. 300	Tunisia .. Din 0.600
Germany . DM 2.20	Morocco .. Dh 6.00	Turkey .... L 210
Greece .... Dr 70	Netherlands Fl 2.50	U.A.E. ... Dh 6.50
Hong Kong HK$ 12	Norway ... NKr 6.00	U.S.A. $1.50
India ..... Rup. 15	Philippines . Pes 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,608 Thursday April 25 1985 D 8523 B

Time is running out for Europe's car makers, Page 26

World news — Business summary

Bonn suspends Pershing sitings

Deployment of U.S. Pershing 2 missiles in West Germany has been suspended while a fault is rectified.

The fault caused the accidental ignition of a missile last January, killing three U.S. soldiers at a military base *north of Stuttgart.*

West Germany is scheduled to have 108 Pershings, of which about half are believed to have been already deployed. **Page 28**

Zambia reshuffle

President Kenneth Kaunda of Zambia said that Malumino Mundia, his Prime Minister, would become an ambassador. The new Prime Minister would be Kebby Musokkotwane.

Israelis withdraw

Israeli troops pulled back from their frontline positions with the Syrian army in east Lebanon. Convoys headed south out of the Bekaa valley in the second phase of Israel's withdrawal from Lebanon, due to be completed by June. **Page 6**

Poll postponed

French Government plans to hold a referendum in New Caledonia on the issue of independence for the Pacific territory have been postponed indefinitely, the newspaper Le Monde reported.

Diplomats warned

The Soviet Union said it had warned a number of British diplomats that their activities in Moscow were *undesirable.* **Page 2**

Indian unrest

At least 12 people were wounded in fesh *clashes in Ahmedabad,* western India. More than 35 people have died during riots over government policy on minorities. **Page 6**

Honecker visit

East German leader Erich Honecker was received by Pope John Paul at the Vatican in the first meeting between a pontiff and the head of the communist state.

Greens released

Four ecologist members of the Belgian Lower House were released from jail after protests in the Bel*gian and European parliaments.* They had been arrested after breaking into a U.S. cruise missile base on Sunday. Others will be freed today.

Gulf attack

Iraq claimed its fighter aircraft hit "a large naval target" near the Iranian oil terminal on Kharg island in the Gulf.

Peru shooting

The president of Peru's national election board, Guillermo Garcia Rada, was shot by gunmen in Lima and taken to hospital.

Editor wounded

Ahmed Jarallah, editor-in-chief of Kuwait's al-Seyassah newspaper and the Arab Times, was shot several times by a gunman as he left his office.

Airport strike ends

Cyprus Airways ground staff ended a pay strike which had disrupted Larnaca airport.

Paris meeting

UN Secretary-General Javier Perez de Cuellar met French President *François Mitterrand* at the end of an official visit to Paris.

Rugby tour protest

South Africa's United Democratic Front said it would continue with protests against a planned rugby tour by the New Zealand All Blacks despite the detention of two of its *leaders.*

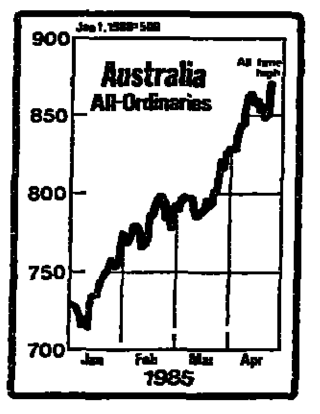
Ecuador secures 3½-year debt pact

ECUADOR secured about $400m in debt relief on payments due on government-guaranteed debt between June 1984 and January 1988 under agreement with Paris Club of Western creditor nations. **Page 4**

DOLLAR continued to rise in London, closing at DM 3.119 (DM 3.072), FFr 9.505 (FFr 9.365), SwFr 2.6 (SwFr 2.5475), and Y251.35 (Y249.65). *On Bank of England fig*ures the dollar's exchange index rose to 146.9 from 144.9. In New York it was DM 3.1055, SwFr 2.5865, FFr 9.4700 and Y250.75. **Page 51**

STERLING declined against the strong dollar in London, losing 2.7 cents to close at $1.225. It was also lower at DM 3.825 (DM 3.845), FFr 11.685 (FFr 11.72), SwFr 3.18 (SwFr 3.1925) and Y308.0 (Y312.25). The pound's exchange rate index fell to 77.3 from 78.8 In New York it was $1.2275. **Page 51**

GOLD fell $3.75 on the London bullion market to finish at $322.75. It also fell in Zurich to $321.75. In New York the Comex June settlement *was $325.3.* **Page 50**



SYDNEY hit a record with strong foreign buying of resource issues *taking the All-Ordinaries index 11.4* up to 871.4. **Section III**

WALL STREET: The Dow Jones industrial average closed down 0.22 at 1,278.49. **Section III**

TOKYO shares attempted to recover some recently lost ground as biotechnology issues rallied. The Nikkei Dow market average rose 93.63 to 12,217.77. **Section III**

LONDON found late support for internationals, although gilts were dogged by profit-takers. The FT Ordinary index added 2.9 to 962.5. **Section III**

SWISS chief executives are the highest paid managers in Europe, with average earnings and perks worth $86,777 a year, according to a survey by the Brussels-based Executive Compensation Service. **Page 28**

CROCKER NATIONAL, troubled Californian subsidiary of Midland Bank of the UK, is to lay off 750 staff to cut costs after heavy losses on agricultural and property lending. **Page 29**

BRITISH AEROSPACE announced $150m sale of 10 of its Type 146 jet airliners to China and disclosed date for its share flotation. **Page 28**

MUIRHEAD, UK maker of facsimile transmission systems, rejected a £14.8m ($18.2m) takeover from RHP, the leading British ball-bearing manufacturer. **Background, Page 34**

GENERAL ELECTRIC, the U.S. en*gineering group, has won a second* contract from China for 200 rail locomotives worth $230m.

PAUL VOLCKER, U.S. Federal Reserve Board chairman, yesterday endorsed a change in federal law to permit interstate banking across the U.S.

MOBIL, *the second biggest U.S. oil* company, and Shell Oil, U.S. affiliate of the Royal Dutch/Shell group, both suffered lower first-quarter earnings.

Multinationals may leave 'if Europe does not unite'

FAILURE to create a true economic community in Europe may well *drive European-based multination*al companies overseas, Dr Wisse Dekker, chairman of Philips, the Dutch electricals group, warned yesterday, **writes Jonathan Carr in Munich.**

Dr Dekker stressed that "if Europe does not unite, industrial innovation will pass Europe by. Multinational companies will then be forced to adjust their geographic priorities."

He said that, without a European Community worthy of the name – including an open, European-wide home market – there were "not so many reasons why" Philips itself should stay in the Netherlands.

Dr Dekker was speaking at a conference on "Multinationals: Innovators in High Technology?" orga*nised by the Financial Times and* the Institute for Research and Information on Multinationals.

The Philips chief argued that while smaller companies were often *innovative, big ones were needed to* integrate several different technologies – as was increasingly the case in the electronics industry – and get the resulting products on the market.

To do so, however, the multinationals in Europe needed a suitable economic base from which to operate – and so far they had not got it. Not only was Philips suffering from this, but also Siemens, Nixdorf, Bull, ICL, Ericsson, and Olivetti.

"If we wait too long with a European initiative the result could be *that we in Europe lose the battle* (against foreign competition)," Dr Dekker said.

"Believe me, I am European enough to wait until the last possi*ble moment ... I am, however, a* businessman. If Europe is neither able nor willing to develop its economic structure, then the consequences of that must be drawn."

Dr Dekker noted that an accusing finger could be pointed at various European governments, including West Germany and France – and Britain, "which still tries to act as if one European country can decree a world standard."

But the fact was that no single European country was able to develop independently a technology policy that would win the support of multinational industries.

"The only form in which a European industrial policy is possible is, indeed, on a pan-European level," Dr Dekker said. Any other policy, *and thus any national policy,* was doomed to failure because the economic basis for it was lacking.

A similar complaint came from Mr Ninian Eadie of Britain's ICL, who stressed that the European market was "divided at every turn by differences in language, business practice, distribution channels and government regulations."

Mr Eadie, the computer group's director and general manager, office systems, strongly urged governments to break down the barriers – for example, by agreeing on uniform communications standards and telecommunications regulations. European companies also had to become more dynamic and profit-orientated, he said.

Information technology using voice, data, text and image was creating new industry, one instance being in financial services. But if Europe did not take care, it would find itself *"a little regarded satellite* on the periphery of the commercial universe," he said.

Dr Karl Heinz Beckurts, chief of research technology for the Siemens electricals group, took a more positive view, saying that the Euro-

Continued on Page 28

Reagan launches plea for spending cuts after setback on Contra aid

BY STEWART FLEMING IN WASHINGTON

AN EMBATTLED President Ronald Reagan was due last night to launch a nationwide television appeal for action to cut government spending in order to sustain the faltering U.S. economy.

President Reagan will again be putting his political prestige on the line only hours after Congress dealt him his biggest foreign policy defeat since the decision to withdraw U.S. marines from Lebanon in February of last year.

Against a background of emotional and bitter speeches in both houses of the legislature, Mr Reagan failed to win senate approval for the release of $14m of military aid to the "Contra" rebels seeking to overthrow the Sandinista Government in Nicaragua. Instead Mr Reagan was only able to secure a narrow 53 – 46 victory in the Republican – controlled Senate for a last – minute compromise offered by the White House. In a letter to Congress Mr Reagan promised to use the $14m only for food and clothing for the rebels and not for arms and ammunition.

Mr Reagan's pyrrhic victory in the Senate on a subject that raises fundamental questions about presidential control of foreign policy and the thrust of the Administration's strategy in Central America, was not repeated in the Democrat-controlled House of Representatives, however.

There, in a debate made all the more acrimonious by a seething row *between Republicans and* Democrats over a hotly contested seat in Indiana, the Democratic-controlled house voted on Tuesday night by 248 to 180 to reject the President's plan for releasing the $14m of humanitarian aid for the Contras.

Votes on Democratic and Republican alternative plans were scheduled yesterday. *If one is passed –* and the Democrats have an incentive to compromise in order to avoid being characterised by their political adversaries as supporters of a pro-communist Nicaraguan Government – the Senate and Republican versions could go to a conference committee of the two chambers. *There is speculation that once there* the Democrats might seek to keep the legislation bottled up to try to defuse the issue.

This week's debate on Nicaragua is widely seen in Congress as critical to the evolution of U.S. policy in Central America. The White House itself, in seeking to present the Senate vote as a victory for Mr Reagan, described the decision as "an historic vote."

Some congressmen, including Senator John Glenn, invoked the ghost of Vietnam in attacking the President's proposals, drawing parallels between this vote and the 1964 Gulf of Tonkin resolution which gave President Lyndon Johnson authority to build up the U.S. military presence in Vietnam. The president's supporters warned of the dangers of allowing Nicaragua to become an established bastion of communism on America's southern flank.

Alongside the broad foreign poli*cy issues,* narrower tactical questions are also being hotly debated. Supporters of the president have questioned the wisdom of the White House decision to seek release of the funds for the rebels at this time, and their reservations will have been deepened by the clumsy handling first of Mr Reagan's plans to visit the West German cemetery at Bitburg and then of the protests which that visit has stirred up.

The President is also taking considerable risks in launching a pub*lic appeal over the heads of Con*gress for the $50bn of budget cuts which the Senate is debating this week. Senator Robert Dole, the Senate majority leader, has already conceded that the Republicans do not yet have the votes to assure senate passage of the package designed to cut the $213bn budget def*icit expected this year to just* around $100bn by 1988. In the House of Representatives the Republican budget strategy is given no chance.

In spite of the uncertain prospects for the budget package worked out by the White House and Mr Dole, and the strong opposition *to many of its proposals on Capitol* Hill, President Reagan has decided to put his political weight on the line again.

That judgment appears to have been influenced by growing concern within the Administration about the weakening economy and the danger that congressional anxieties about *sluggish* economic growth and the enormous trade and budget deficits could breathe life into proposals to cut the budget deficit by raising taxes and reducing more sharply the rate of growth of defence spending.

West Germany suspends Pershing deployment, Page 28

EEC revises budget to meet farm spending

BY QUENTIN PEEL IN BRUSSELS

EEC BUDGET ministers yesterday agreed to ask their national parliaments for an extra Ecu 1.98bn ($1.46bn), almost entirely to finance increased farm spending in the current year.

In the early hours of yesterday they agreed on a revised 1985 budget of Ecu 27.93bn to present to the European Parliament for approval. The budget would fill the financial vacuum in which the Community has operated so far this year, and which has imposed a number of constraints, that would be lifted if *parliament adopts it – possibly in* June.

The deal means that all the increased farm spending asked for by the European Commission has been approved, but no allowance has been made for any further price increases for agricultural products still to be finalised by farm ministers.

At the same time, the ministers confirmed that Britain will receive its promised Ecu 1bn budget rebate in the form of a special reduction in its budget contributions, as agreed at last year's Fontainebleau summit, in spite of opposition from the European Parliament.

The extra cash will have to be contributed by the Ten in addition to the normal payments they make to the Community's "own resources," and is likely to be hotly debated by national parliaments.

The British share works out at about Ecu 430bn, compared with about Ecu 570m for West Germany and *Ecu 450m for France.* However, the final cost to Britain will be much less because of the Fontainebleau system of reduced contributions allowing a cut of two thirds in the net budget payments in 1986.

The ministers succeeded in cutting an original Commission request for some Ecu 2.8bn by confirming spending cuts already approved last year, bringing the figure down to Ecu 2.2bn and then juggling with figures to bring it below Ecu 2bn.

They also cut a Commission request for an extra Ecu 40m to pay for food aid down to Ecu 26m, without providing any clear explanation of their reasoning.

The main cause of the increased spending, on the Common Agricultural Policy and on food aid, was given by the Commission as changes on the world agricultural markets, reflecting increased supplies and exchange rate volatility.

Extra cash is required, in particular for the storage and subsidised sale of both butter and beef, and for continuing support of sugar and wine *production.*

Although the increases were criticised by Mr Ian Stewart, the British Economic Secretary to the Treasu*ry,* he finally went along with approval of the full amount of Ecu 1.955bn requested by the Commission. *That means that farm support* spending in the EEC this year will total Ecu 19.955bn, or more than 70 per cent of the total budget.

The lack of any formal provision for the current farm price review, however, in excess of the Ecu 138m estimated by the Commission to pay for a virtual price freeze, means that a further battle on farm spend*ing could break out at the budget's*

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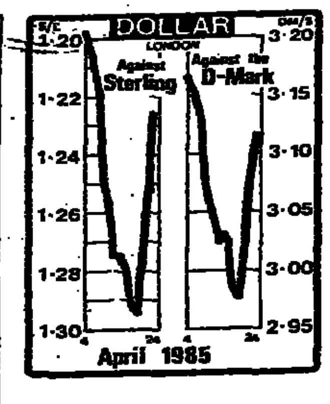
Community passport fails to *impress,* Page 2; Editorial comment,; UK payment, Page 22



$ makes strong gains in Europe

By Philip Stephens in London

THE DOLLAR rose strongly yesterday for the third day in succession. It closed in London at DM 3.1190, 4.7 pfg higher than on Tuesday while sterling fell 2.7 cents to $1.2250.

In afternoon trading in New York, however, the dollar lost some of its gains, slipping to DM 3.1055 while the pound finished at $1.2275.

U.S. bank regulators stepped in to rescue the Beverly Hills Savings and Loan Association, a fast-growing Californian savings institution *that lost $100m in* 1984. Page 28

The U.S. currency has risen by nearly 5 per cent against the D-Mark this week and is about 16 pfg above the lows reached after last week's figures showing a sharp slowing in U.S. growth in the first quarter of the year.

The recovery was initially prompted by what dealers said was a technical reaction to the dollar's heavy losses in recent weeks, which prompted widespread profit-taking in other currencies and covering of short dollar positions.

The dealers said, however, that the market was now giving a more fundamental justification for the rebound in terms of expectations of stronger economic growth in the current quarter and speculation that U.S. interest rates will stop falling.

Yesterday's announcement of the collapse of another U.S. savings and loan institution had little impact on *the market.*

The pound lost ground, meanwhile, against other European currencies and the sterling index fell 1.5 points to 77.3. This fuelled expectations that there would be a pause before a further decline in UK interest rates.

Editorial comment, Page 26; Du Pont chief's warning, Page 28; Currencies, Page 51

Finsider wins $2bn Soviet steel order

BY ALAN FRIEDMAN IN MILAN

FINSIDER, the Italian state steel corporation, has won a $2bn con*tract to supply the Soviet Union* with $6m tonnes of tubes and other materials. The five-year contract, to run from 1986 to 1990, calls for the delivery of 1.2m tonnes a year.

Finsider said yesterday that Moscow had agreed to pay for the steel in dollars and in cash, which is in itself unusual since Italian exporters have traditionally faced difficulties in the financing of contracts with the Soviet Union.

The 6m-tonne Finsider contract is equal to the total steel exports from *Italy to the Soviet Union since 1974,* when Finsider began trading with Moscow. A Finsider official said: "We will be selling as much steel to the Soviet Union in five years as we did in the last 10."

Among the most important planned shipments will be large-diameter steel tubing from the Italsider plant at Taranto in southern Italy. An extensive series of drilling pipes will be supplied by Dalmine, another Italian state steel subsidiary of the Finsider group.

*The new Soviet deal, signed yes*terday in Rome, is an important order for the Italian steel group at a *difficult time in the world market.*

Finsider last year made a L1.476bn ($738m) loss, which was down on the record 1983 deficit of L2.095bn but none the less larger than forecast. Higher than expected losses at Finsider have continued in the early part of this year.

Finsider's troubles come as the European Community has been demanding rationalisation of Italy's steel production. The state steelmaker has spent hundreds of millions of dollars modernising its Bag*noli plant near Naples* at a time when Brussels has been ordering cutbacks.

The Italian Government, meanwhile, has been considering ways of correcting what it considers an alarming imbalance in its trade with Moscow. Last year Italy had a bilateral trade deficit of L4,300bn with the Soviet Union, a sharp rise on the L2,600bn deficit of 1983. The 1984 trade deficit with Moscow equalled nearly quarter of Italy's record L19,200bn total trade deficit *last year.*

Compact mainframe from ICL

By Jason Crisp in London

ICL, the only British-owned mainframe computer manufacturer, launched a new range of powerful machines yesterday which are the first result of a technological co-operation with Fujitsu of Japan.

The range is considered to be the most important product launch made by ICL since it was rescued by the British Government in 1981. The new computers are more powerful than ICL's existing products and cost between £150,000 ($184,500) and £3m ($3.7m) each.

ICL, *which was taken over* by Standard Telephones and Cables last year, expects to increase its market share as a result of the new products. Mr Peter Bonfield, managing director of ICL, predicted the company's sales would exceed £1bn for the first time this year.

The new range, known as Series 39, uses Fujitsu's microchip technology.

The new machines are the first computers to use optical fibres as a standard interconnection.

Background, Page 23

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EUROPEAN NEWS

E. Germans celebrate their anti-Nazi past

BY LESLIE COLITT IN EAST BERLIN

HUNDREDS of American, British and Soviet veterans will gather at Torgau today to celebrate the link-up 40 years ago of the Soviet and U.S. armies at the Elbe river. The greying veterans are guests of the East German Government which has spared neither money nor effort to commemorate the many anniversaries this month of the defeat of Nazi Germany *which it calls a "liberation"* for Germans.

For weeks East Germany has marked every step in the advance of the Soviet Army toward Berlin with a barrage of ceremonies. Soviet film serials *on the battle of* Berlin are shown nightly on television while newspapers are filled with blow by blow accounts of how the "Nazi beasts" were slain.

East Germany's main Communist *newspaper Neues* Deutschland carries a daily report of what happened "40 years ago today." Yesterday, it noted, the first Belorussian front and the first Ukrainian front joined forces at Koenigs Wusterhausen just outside Greater Berlin, splitting the Nazi armies entrenched in the city. Red Army soldiers had crossed the Spree river and Teltow canals, had raised the Red Flag over Karl Liebknecht Haus, the former Communist headquarters in Berlin, and were engaged in fierce house-to-house fighting.

German and Soviet soldiers celebrate the end of war.

In nearly all the accounts, the Nazis and their helpers are portrayed in a strangely alien people who were fought at every turn by upright German anti-fascists. At times it appears to the younger East Germans as if East Germany *itself had fought* beside the wartime allies to crush the Nazis.

In fact, many of the leaders of East Germany were among the small band of German Communists who actively resisted the Nazis.

Herr Hermann Axen, the Politburo member who addressed a crowd of nearly 100,000 East Germans at recent ceremonies marking the *liberation* of Buchenwald concentration camp, spoke as a former prisoner. He noted that he and the other inmates who had liberated themselves on April 11, two days before the U.S. *Army arrived, swore they* would help build a "new world of peace and freedom." He then proceeded to criticise the "aggressive circles" of the *U.S.* who allegedly sought military superiority over socialism. However, he said, unlike in 1939 the "forces of aggression" no longer held the upper hand militarily.

Similarly, Herr Kurt Hager, another Politburo member who spoke at the anniversary of the liberation of Ravensbrueck women's concentration camp last Saturday, fought as a Communist in the Spanish Civil War. He, too, accused the Reagan Administration of striving for the "worldwide domination of imperialism" and urged his listeners to remember the lessons of *the* Second World War.

Herr Hager said the defeat of Nazism—mainly by the Soviet Union—"opened the gates of freedom and a happy future" for the German people. East Germany, he noted, had used this historic chance by destroying forever the roots of "war, *exploitation and suppression.*"

It is difficult for most East Germans to think in the same black and white categories as their leaders who were among the tiny minority of Germans—including Communists, Social Democrats *and churchmen*—who fought the Nazis. An unswervingly loyal supporters of each and every leadership in Moscow, they were determined after the war to remake their Germans in the Soviet image. Success, however, has been less than conspicuous.

East Germans, while rejecting the tendentious truths of their leaders, none the less have come to respect their anti-Nazi past. On Saturday East Germany will mark the freeing in 1945 by Soviet troops of Brandenburg prison. The country's leader, Herr Erich Honecker, served *eight* years of a 10-year sentence in Brandenburg for "high treason" passed down on him in 1937 by the infamous Nazi People's Tribunal.

With anti-fascists at its helm, East Germany is inevitably pointing with schadenfreude to Bonn which is torn over whether it should be marking the defeat or the liberation of Germany in 1945.

Ireland issues new oil rules

BY BRENDAN KEENAN IN DUBLIN

THE IRISH Energy Ministry has published new terms for the treatment of marginal oilfields that may be discovered in Irish waters. It is an effort to attract more bidders for *the country's* third *licensing round,* which closes in June.

The large oil companies have been reluctant to enter the round because of uncertainty over the details of royalties and state participation that would apply to small fields.

Mr Dick Spring, the Energy Minister, who is also deputy prime minister *in the coalition government,* said he expected the oil companies to respond to the new arrangements with an increased level of exploration. *Over 80* wells have been drilled in Irish waters but the only commercial discovery has been a medium-sized gas field off Kinsale.

First reactions from industry experts to the new terms seemed favourable. Mr Conor McEnroy of Basín Analysts said that, in some cases, a small field might now be more profitable to exploit in Irish *waters than in the* North Sea. He believed some of the companies that had been holding back would now apply in the third round.

The new terms define a marginal field as one where the ratio of net revenues to capital expenditure is less than 1.84. If such a field has less than 75m barrels, the Government will relieve the first 25m barrels of production from royalties.

A field of any size that is designated as marginal will also benefit *from* a reduced burden of state participation. Under the 1975 licensing terms the Irish Government is entitled to 50 per cent of production but may also oblige the operator to pay 100 per cent of development costs, to be repaid later out of the state's production revenues.

Moscow warning to British diplomats

By Our Moscow Correspondent

THE Soviet Union said yesterday it had warned an unspecified number of British diplomats, in addition to those expelled on Monday, that their activities here were undesirable.

A British embassy spokesman confirmed some diplomats had been warned but declined to name them or say *how many were called to the* Foreign Ministry.

In the first public word on the latest tit-for-tat expulsions the ministry issued a statement which said Britain bore full responsibility for consequences of the "unfriendly act" of ordering five Soviet officials out of London last week.

Moscow retaliated by asking three British diplomats to leave.

Both sides say the other's expelled officials had carried out activities "incompatible with their status," the diplomatic euphemism for spying.

The Foreign Ministry statement, issued by the official Tass news agency and printed prominently in the government daily Izvestia, said it had warned Britain's Ambassador Sir Iain Sutherland on several occasions that some of his staff were breaching the rules of conduct for foreign residents.

"Such activities have not ceased," the statement said, adding that this was why British diplomats were ordered to leave. It did not name the three staff. Britain says they are the naval attaché, one of his deputies and a scientific attaché.

"Others were warned in connection with their violation of the rules of conduct for foreigners," the statement said.

The Soviet statement said that by expelling its representatives on "absolutely un*founded*" charges *Britain* was contradicting its stated intention to further improve ties.

● *Tass yesterday kept up* Moscow's criticism of the U.S. for failing to negotiate seriously on arms reduction, our foreign staff writes.

The U.S. had "failed to make a single step, a single *gesture that would* corroborate the seriousness of its intentions," it said.

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Sweden expects economy to expand by 2.5%

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

The Swedish Government expects the economy to expand by as much as 2.5 per cent this year, helped by a big increase in industrial investment and stronger-than-expected economic growth in the rest of western Europe.

The revised budget forecasts for 1985-86 published yesterday are more optimistic than the preliminary budget presented to Parliament at the beginning of the year, and Mr Kjell-Olof Feldt, the Finance Minister, ran into immediate charges of electioneering from the opposition. A general election is due in September.

Mrs Karin Soeder, deputy leader of the Centre Party, said: "Reality is not as bright as the Finance Minister claims."

Inflation was among the highest in Europe, she said. The current account had drastically worsened in the first quarter, imports had risen strongly and exports had fallen. "The 'after care' of 1982's giant devaluation has failed and the devaluation has only given a short-lived improvement in competitiveness. The party is over now," she said.

Mr Feldt, however, said the economy *is expected to grow by* 2.5 per cent compared with 2 per cent suggested earlier, industrial output is forecast to expand by 6 per cent, and industrial investment by 25 per cent compared with an earlier fore*cast of 18 per cent.*

In spite of surprisingly poor trade figures for the first quarter, only a small deterioration in the current account was expected this year, with a deficit of SKr 3.1bn (£276m), compared with a small surplus last year of SKr 1bn.

New industrial orders to *Swedish industry* are still strong, despite weakening sales of timber and pulp, and exports are forecast to rise by 4.3 per cent, compared with the earlier forecast of 3.6 per cent. Imports are rising faster, however, helped *by surprisingly strong* domestic demand.

The budget deficit forecast has also been lowered to SKr 60.8bn from SKr 63.5bn.

The Finance Ministry said yesterday that the "Swedish economic crisis has still not been overcome," however, and that the fight against inflation *had to be the economic priority.*

Community passport fails to impress customs officials

BY PAUL CHEESERIGHT IN BRUSSELS

UNIFORMED citizens of Europe are not recognising the symbol of Citizens' Europe.

The symbol is the European passport. Citizens' Europe is the political catchphrase for making the European Community emotionally relevant to the people who live in it.

But Community citizens travelling in it, brandishing the symbol of their engagement to the ideal, are finding that some customs men do not know what the passport—the Community passport—is.

It took the Belgian Foreign Ministry to sort out a fracas at Brussels Airport when officials wanted t send European passport-carrying Danes back home again.

Something must be done, declared Sig Carlo Ripa di Meana, the Citizens Europe commissioner, declared yesterday.

'I don't think member states are still failing to recognise the passport, but I do think national administrations have not been informed. That I think is scandalous. There has been plenty of time to do so," he complained.

Three months and 24 days to *be precise. The pasport should* have come in throughout the Community on January 1.

Brussels Airport is not the only citizen scare zone. Mr Ripa di Meana talked of Danes in trouble in Germany and Irish in trouble in Greece and Germany.

So he and Lord Cockfield, one of the British commissioners, have written about it to the President of the Council of Ministers, Mr Giulio Andreotti.

Not that there are *many passports* in circulation. Ireland, Denmark and Luxembourg have them on systematic issue. Belgium, the Netherlands and Greece follow later this year. Italy and France have introduced but not distributed them —they are using up old stocks of national models. Britain and Germany are busy computerising and are waiting *until 1987.*

Spanish labour union threatens pensions protest

BY DAVID WHITE IN MADRID

THE THREAT of mass protests against plans to reduce Spaniards' pension etitlements has created a rift in Socialist ranks between the government of Sr Felipe Gonzalez and the powerful UGT labour confederation.

The UGT, up to now a critical ally of the Government, is not only taking a firm stand against pension cuts but has sharpened its tone against the whole bent of economic policy, following a mini-budget package announced last week by Sr Miguel Boyer, the Finance Minister.

The union's confederal committee, at a special meeting, attacked the Government for planning to squeeze pensions without tackling a general overhaul of the social security system and agreed to mount a country-wide protest campaign.

A tripartite commission on social security reform was set up last autumn under a two-year economic and social agreement reached between the Government, employers and the UGT—the only union to sign. But the Commission's future is now in doubt.

Sr Nicolas Redondo, the UGT leader who is also a Socialist deputy in Congress and a key historical figure in the party, has pointed the finger directly at Sr Gonzalez as the principal man responsible for mistaken economic policies.

In a magazine interview published yesterday, Sr Redondo *criticised the combination of* tax cuts, announced by Sr Boyer, and reductions in workers' acquired rights.

"I am not saying that this Government is following a reactionary policy," he said, "but in some cases it coincides with Ronald Reagan's."

He attacked the Government for "arrogance" and "dogmatism," described its austerity policy of the last two years as "an utter failure," and accused it of "improvising."

His declarations appear to put paid to government hopes for patching together an agreement with the UGT on the pensions issue. The Government has been hesitating over the plan, which involves a reduction of 8 per cent *or more in the pensions* Spaniards will be entitled to in future from the state system when they retire.

The current 5m pensioners will continue under the old system, which provides between about Pta 34,000 (£158) and Pta 181,000 (£842) a month.

The new pensions, which will be inflation-indexed, would require a total contribution period of 15 years instead of 10 and be based on the last eight years' contributions, instead of two at present. This is designed to stop the practice of "buying" pensions.

The plan is aimed at forstalling a looming crisis in the social security system, in which pensions take up 60 per cent of total expenditure. This proportion has been growing, while the share taken up by health care—26 per cent—has been declining. On present trends, by the end of the decade social security contributions would not be enough to meet the pension bill alone. This would increase the burden on the state budget, which already puts up more than 20 per cent of social security spending.

However, some sectors in the Socialist Party favour putting off the promised reform of the system until after the general elections scheduled for next year.

The UGT's rival union body, the Communist-led Workers' Commissions, has already announced plans for a protest strike and the two confederations are expected to discuss joint action.

The distancing of the UGT from the Government raises questions about Sr Gonzalez's participation in the union's May Day rally, a standard occasion for drumming up grass-roots support.

Spanish royal family reunited

By David White in Madrid

MORE than half a century after the establishment of Spain's second, last and ill-fated republic, the country is reuniting its royal family by bringing its dead back from exile.

The remains of Queen Victoria Eugenia, English grandmother of Spain's head of state, King Juan Carlos, are being flown today from Switzerland for burial with full state honours and a 21-gun salute at the monastery of El Escorial outside Madrid.

Once known in Spain as "the flower of queens," the Balmoral-born Victoria Eugenia, a granddaughter of Queen Victoria, fled with her husband King Alfonso XIII to Rome in 1931. After his abdication and death 10 years later, she moved to Lausanne and died there in 1969. The year before, she had returned to Spain to become godmother to the present heir to the throne, the Infante Don Felipe.

At El Escorial she will rejoin her husband, whose body was repatriated from Rome five years ago, and their first-born son, Alfonso. His coffin is also due to arrive today, from Miami. The corpses of two other sons who died in exile, Gonzalo and Jaime, are being flown back with their mother.

Dissidents take a public platform

BY DAVID BUCHAN IN BUDAPEST

LAST MONDAY night in downtown Pest, Hungary's new electoral law, requiring the selection of at least two candidates to contest each seat in the June 8 parliamentary poll, produced an extraordinary public glimpse of the spectrum of opinion that lies beneath the surface.

Mr Peter Varkonyi, the Foreign Minister, was having to compete for places on the ballot with three other candidates, among them a leading dissident, Mr Gaspar Miklos Tamas. What *is more, he was having to sit* and listen—through the heckling and hissing—while Mr Tamas and his supporters expounded the outspoken views that usually earn them police harrassment.

Mr Tamas was heavily defeated in this part of the fifth district of Pest (the Pest in Budapest) and Mr Varkonyi and two other candidates got on the ballot. The other dissident casualty in Monday's primary elections was Mr Laszlo Rajk, who despite his famous father—a foreign minister executed in a 1949 Stalinist purge—was almost equally heavily defeated in another part of the fifth district.

For the dissidents, anger at what they saw as the gerrymandering of the candidate caucuses was generally outweighed by pleasure at being legally able to state, from a public platform, their views on such taboo issues as conscientious objectors, Hungarian minorities abroad, police harassment, censorship, the poor and the environment.

In relative terms, Hungary's tentative experiment in constitutional reform is a major achievement inside the Soviet bloc. Can anyone imagine Mr Andrei Gromyko facing any competition for his seat in the Supreme Soviet, let alone from a Sakharov? The same total improbability applies to the rest of Eastern Europe. Yet Mr Varkonyi had to listen to public complaints from the Tamas group that his diplomatic support for beleaguered Hungarians in neighbouring Romania was too feeble, that he was too busy a minister to represent adequately the fifth district's interests, and so on.

> ' In relative terms, Hungary's tentative experiment in constitutional reform is a major achievement inside the Soviet bloc . . . but the authorities also clearly showed they will not allow their political experimentation to get too far ahead of their neighbours '

But the Hungarian authorities also clearly showed they will not allow their political experimentation to get too far ahead of their neighbours. To have dissidents on the ballot, with access to the official media over a two-month election campaign, would clearly risk serious Soviet ire.

Precisely because Hungary is more liberal than its neighbours, dissidents here probably have less latent support than elsewhere. But the authorities were not taking chances. All candidates had to state their support for the Patriotic Front programme; but since this is only a brief and vague encapsulation of recent Communist Party congress resolutions, the dissident candidates, tongue in cheek or not, stated their support.

But to actually get on the ballot, candidates need votes from one-third of all those present at at least two caucus meetings. Dissidents complained that the halls were packed with Communist activists and beefy plainclothes police ("the bodybuilders," as they are often labelled) well before meetings started. In theory only those living or working in the districts were eligible to vote, but no checks were made on those entering and thus the numbers and eligibility of those present was entirely, and conveniently, notional.

Most revealing was how debate focused on the issues raised by Mr Tamas and his supporters. The sorest point they touched was compulsory military service. Mr Gabor Demszky, a pulisher of unofficial literature, wanted to know why Hungary, unlike Poland and East Germany, he said, had no alternative social service for conscientious objectors. Some 150-200 young men were in prisons for refusing the military draft, he claimed. This brought boos and cries of "Who's going *to defend the country*" from the serried ranks.

What right had the police to confiscate many of his books, including tomes by Hungary's most famous recent poet, the late Gyula Ilyes, Mr Demszky also asked.

A lady in red from the Ministry of Culture retorted: "Today in Hungary everything can be published which is not hurting our society and interests."

But the Foreign Minister clearly did not think the Tamas group sufficiently squashed by this. "Even the State Department can't bring any human rights charges against Hungary," Mr Varkonyi exclaimed, adding: "Perhaps what suits the State Department should suit some dissidents here." Military service, the minister went on, was "a duty in return for rights, and the Catholic Church agrees." It is indeed a mark of the changes in Hungary that a minister should cite such authorities in his cause.

Pope names Polish cardinal

By Christopher Bobinski in Warsaw

POPE JOHN PAUL II yesterday named Henryk Gulbinowicz, Archbishop of Wroclaw, as one of 28 cardinals to be created next month.

The appointment of this staunch supporter of the banned union Solidarity is seen as strengthening the more militant wing in the Polish Church

The 56-year-old archbishop, who was *appointed to the* western Polish Wroclaw diocese in 1975, has made little secret of his sympathy for the Solidarity movement and as such has earned the enmity of the authorities.

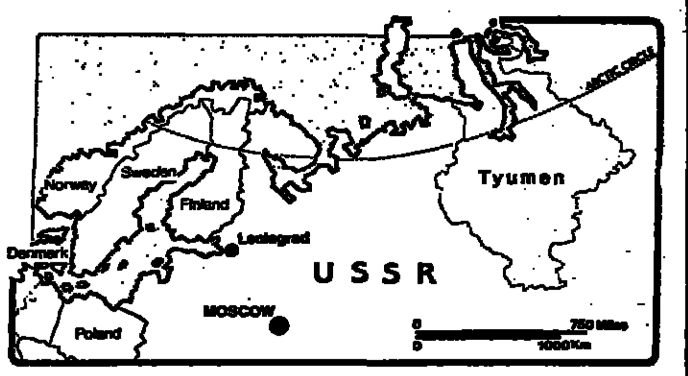
He was even accused recently at the trial of the killers of Father Jerzy Popieluszko, the pro-Solidarity priest, of keeping ZL 80m (£460,000) of Solidarity funds in safe keeping.

The new cardinals include two U.S. churchmen, Archbishop John O'Connor of New York, who has become a leading force in the American church, and Archbishop Bernard Law of Boston.

Also noteworthy are the appointments of Archbishop Juan Francisco Fresno Larrain of Santiago, who has accused the regime of President Augusto Pinochet of creating a climate of oppression in Chile, and Archbishop Miguel Obando y Bravo of Managua who has been in conflict with Nicaragua's Sandinist Government.

Soviet oil province managers sacked

BY PATRICK COCKBURN IN MOSCOW



THE FALL in Soviet oil output has led to further dismissals of senior managers in the key Soviet oil province of Tyumen in West Siberia, which is responsible for 60 per cent of the country's crude production.

In the first quarter of this year Soviet oil output fell to 147m tonnes—in part because of the bad weather—after a small drop in production last year to 613m tonnes.

The failure of Tyumen to produce oil at the planned rate despite increased resources allocated to the industry in the region has been heavily criticised in the daily Sovietskaya Rossia. It said that two senior Communist Party officials in the district, responsible respectively for the oil industry and appointments to top jobs, have been dismissed.

The article also vigorously attacked a key figure in the Soviet oil industry, Mr Gennadi Bogomyakov, head of the Communist Party in Tyumen since 1973, who has played a central role in the development of the oil industry in the region.

Mr Bogomyakov's attitude at a recent meeting of the heads of the Tyumen Communist Party called to consider the problems facing the oil industry was "sharp and tutorial" and stifled debate, the newspaper reported. As a result, discussion was sterile and speakers from the floor of the meeting just gave an account of their work with no analysis of faults.

The Politburo and Central Committee secretariat in Moscow are clearly very concerned at the state of the oil industry, which absorbs 17 per cent of total Soviet industrial investment. In Tyumen province, where most of the extra production is to be found, the local oil industry is accused of exploiting oilfields too quickly in pursuit of quick results. This lack of reservoir planning, combined with slow mechanisation and lack of infrastructure, have brought about *the present* difficulties.

In February this year, Mr Vladimir Dolgikh, a non-voting member of the Politburo in charge of heavy industry and energy, said that most of the managers in Tyumen had been dismissed over the previous four years, but Sovietskaya Rossiya suggests that these waves of dismissals are not having the desired effect.

Despite the radical press criticism of oil and gas management, there is little sign that the Soviet Union faces any crisis in its oil or energy industries, though it is likely to miss its 1985 oil output target of $30m tonnes by a wide margin.

The Soviet Union was able to increase its oil exports to the West last year, receiving an estimated $12bn (£9.6bn), in part because of conservation measures carried out in recent years.

Soviet consumption appears to have peaked in 1132. Since then gas has been substituted *for some* of the oil used in Soviet power stations which totalled 2.5m barrels a day in 1983.

So far, gas has been substituted for 500,000 b/d and another 1.1 million b/d of oil can be saved by 1990. Gas output has exceeded target although nuclear energy is well behind plan—the Soviet Union has 16 nuclear power stations. There have also been problems with coal output and the development of opencast mining in Siberia.

Although the energy programme (oil, gas, coal, nuclear energy and power stations) is getting priority for investment, absorbing 22 per cent of the total, the money still not sufficient to build up the oil, *gas and coal* industries in the wastes of the West Siberian basin. This, as much as incompetent management, may turn out to be the main problem in Tyumen.

SOVIET OIL INDUSTRY (million tonnes)

	1983	1984	1985	1990
Oil production	617	613	620	625
Consumption	460	na	470	484
Exports	157	na	150	141

The strong dollar and high interest rates have exacted a heavy toll in the state, reports **Nancy Dunne**

Iowa reels under the effects of Reaganomics

IOWA, a state of lovely, rolling farmsteads in America's heartland, *is in the process of divorce* —from its past. As often happens in such cases, the parties are enraged and in turmoil, bitterly grieving and fearful of the future.

With three-quarters of its business dependent on agriculture, the state is engulfed in an economic tidal wave, which is sweeping away long-held *family farms, agribusinesses* and heavy industry. Nowhere has the impact of Reagonomics struck more profoundly with its strong dollar, high interest rates and declining federal largess.

"For many Iowans this seems a season of despair, as they are inexorably drawn closer to the end of their material resources by powers beyond their control," says the Des Moines Register, *the state's largest* newspaper. Day by day, it records *depressing news*—*the* state will be the largest loser if the Reagan budget cuts pass Congress; thousands are fleeing for the sun belt in search of jobs.

U.S. farmers protesting in Washington last month against the President's agricultural policies

After five years of low crop prices, weather problems, high costs and falling exports, notices of land and machinery auctions abound. Mroe and more, the auctions are guarded by state troopers as fears grow of violence from the once-placid farmers.

Iowa's gross state product declined during the last three months of last year, for the fifth straight quarter. Housing *construction is down* 78 per cent. Farm tax receipts yielded $30m less than *was expected.* Even the state liquor stores are feeling the pinch, *some* have been closed and others assigned shorter hours.

Last year was the bleakest for Iowa banking since the great depression. Nearly one out of six banks lost money, and net income dropped by one-third. Three banks failed in 1984, and three, thus far, have closed their doors this year.

Farm implement and machinery dealers are selling *out in droves. Plant lay-offs* are mounting.

In Waterloo, the state's industrial hub, Iowans debate whether or not their city of 76,000 is dead or simply seriously ill. Unemployment is estimated at 10 per cent, not including the farmers in the outlying hills. Only defence spending is keeping the economy going.

Thousands of unshipped tractors etch the horizon of the neatly landscaped test fields near the John Deere and Co, *the world's largest producer of* wheeled tractors. Officials have *recently announced a six-month shutdown of the four-wheel* drive tractor line. Employment has dropped from 16,300 in early 1980 to an estimated 7,900 by the end of May.

The Rath Packing Company, once the biggest meatpacker in the nation, declared bankruptcy in January. The area's schools and hospitals, adjusting to declining population, have made their own lay-offs.

"People want jobs so badly . . . you can see despair written on their faces," says Mrs Vi Neal, *part owner of a clothing* store which she says will never *survive past the year end.*

All over the state, paranoia is rampant, conspiracy theories are *plentiful* and everyone has a list of culprits.

United Auto Workers *officials* talk about how the oil companies and big corporations are swallowing up land and business.

The owner of a fur boutique blames the "greedy" farmers and says, "you can't eat like a hog without getting a stomach ache."

Anti-Japanese feeling is pervasive. Car *bumper stickers* proclaim, "Hungry? eat your foreign car" or "Unemployment: made in Japan."

Mr Randy Steig, a spokeman for the Iowa Bankers Association in Des Moines, the state capital, says bankers, farmers and the Government all share some of the blame. Competition between the 635 banks is fierce, he says, and bankers, fearing to be left behind, made loans on *the basis of inflated assets* rather than a farmer's ability to pay.

It was government policy which encouraged the farmers to plant "fence row to fence row" for export and, as a result, the once-diversified state agricultural economy now produces maize and soyabeans almost exclusively. Farmers, says Mr Steig, got caught up in the expansionist fervour and bought themselves giant air-conditioned tractors with stereo tape decks.

The farmers say the banks are the villains which "dictated" their expansion and suddenly called in their loans.

For all their despair, Iowians are determined to save what they can. *They fill their days* with meetings, form political alliances, organise relief efforts. In Waterloo, efforts are still under way to reopen the bankrupt meatpacking plant. *The* Chamber of Commerce has hung *notices in all the local hotels* promising $1,000 rewards for all leads which bring new business to town.

Iowa is a *study* in political contradicitions. Its governor and one senator are Republicans. Its lieutenant governor, legislature and one senator are Democrats. The newspaper opinion pages overflow with conservative sentiment, yet Iowa was one of the first states to order "*comparable pay*" *for its* women employees, The American flag *is flow* over private homes and painted on barn doors.

Mr Bob Anderson, the lieutenant governor, wants the state to return to diversified farming and once again grow its own vegetables and fruit. Gov Terry Branstad wants to build tourism, attract high tech business, *promote development* of maize by-products and establish *a venture capital fund.*

But state officials seem un*likely to prevent the wrenching* readjustment of the farm sector. Thousands of smaller landowners are ilkely to end their days as tenant farmers for larger producers.

Mr Jim Riordin, an assistant to Mr Anderson, a dispossessed farmer. "It was the hardest thing to leave that land," he says, "and the visions I had for it. Out there on the tractor you do a lot of thinking . . . of how you can work the land and conserve it. It is terrible when you *see everything slipping* away, and there is nothing you can *do to save it.*"

White House denies change in plan for Bitburg ceremony

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE White House yesterday insisted that there had been no change in President Ronald Reagan's plans to lay a wreath at a *Nazi war cemetery* next month, despite mounting pressure on him to drop the controversial visit.

The first national opinion poll on the issue showed 51 per cent of Americans disapproving of Mr Reagan's planned visit to the Bitburg cemetery, where 47 mebers of the Waffen SS are buried alongside almost 2,000 regular German soldiers. Some 39 per cent were in favour.

In the Washington Post/ABC News poll, 52 per cent said he *should* drop the ceremony, while 44 per cent said that he should *go ahead. Overall,* Mr Reagan's general approval rating for his handling of the Presidency dropped to 54 per cent, the lowest since October 1983.

While many of Mr Reagan's senior advisers were showing increasing dismay over the damaging political fall-out from the bungled arrangements for the visit, the White House yesterday denied that moves were under way to persuade West German Chancellor Helmut Kohl to alter the venue *for the planned gesture of U.S.*-West German post-war reconciliation.

In Bonn, Herr Peter Boenisch, the West German Governments chief spokesman, said that one of Mr Reagan's White House advisers had sent a private letter to a West German official last week, asking if an alternative might be considered.

That, however, was before Friday's joint announcement by Mr Reagan and Mr Kohl that a "final" decision had been taken that the visit should go ahead.

Mr Reagan was reported to have been "irritated" by the letter, which the *New York* Times attributed to the national *Security Council, headed by* Mr Robert MacFarlane. There was *little doubt, however,* that the desire to find a way out of the Bitburg visit was widely shared by Mr Reagan's senior advisers.

Church leaders yesterday joined Jewish and veterans groups and a majority of the U.S. senate, *in imploring* Mr Reagan to change his mind. Sen Robert Dole, the *Republican* majority leader, said that the planned *ceremony* was "a mistake.'

Peter Bruce **in Bonn writes:** The West German Government *yesterday strongly denied* that the White House had put any *pressure* on Chancellor Helmut Kohl, "officially or unofficially" to help Mr Reagan avoid visiting the Bitburg cemetery.

It was not clear whether the Cabinet had discussed the growing concern over Mr Reagan's visit to Bitburg (which Bonn has tried to offset by arranging a visit on the same day to the Bergen Belsen concentration camp *site) but Herr* Beonisch said the German Chancellor had *found it* "very difficult" to be involved in an *issue which had developed* into a domestilc row in the U.S.

Many observers in Bonn think it would be politically almost impossible for Chancellor Kohl to try and steer Mr Reagan away from Bitburg.

It would certainly outrage the Right wing of his party and the many other Germans who believe (as Chancellor Kohl did when he first mooted the idea to Mr Reagan) that the 40th anniversary of Nazi capitulation would probably best be remembered by a gesture of reconciliation between the former warring powers rather than concentrating solely on the holocaust.

Ecuador in long term rescheduling deal

BY PAUL BETTS IN PARIS

WESTERN governments agreed for the first time yesterday to reschedule the official debts of a developing country over several years by granting Ecuador a three year rescheduling package involving a substantial amount of the country's government guaranteed debt.

Under the novel rescheduling package agreed by the so-called Paris Club of Western creditor nations, Ecuador secured about $400m in debt relief on payments due on its government guaranteed debt between June 1984 and January 1988, senior Ecuador officials disclosed in Paris last night.

They added that Ecuador faced interest and principal payments on its government guaranteed debts totalling $580m be*tween June 1984 and 1989.*

The Paris Club agreement is expected to ease the way for Ecuador to complete arrangements *with commercial* banks on its $4.3bn multi-year rescheduling package and $200m fresh money credit to which subscriptions have been *slower* thar expected. Ecuador is estimated to have total external debts of $7.6bn.

The multi-year debt deal with Ecuador signals the growing willingness of Western governments to increase support for developing countries, especially those showing solid progress in improving their economic readjustment.

Until now the Paris Club countries had preferred short-term one-year agreements to multi-year packages. Commercial banks have been granting such multi-year agreements since 1982.

Under the terms of yester*day's agreement, Ecuador's* entire official debt repayments *this year will be rescheduled* at the same time as 85 per cent of the official debt *repayment* total in 1986 and 70 per cent of the repayments in 1987. The repayments will be spread over eight years with a three year grace period. The package also includes debt arrears.

The Paris Club creditor countries have also agreed to reschedule $190m of Costa Rica's official debt repayments falling due in 1984 and 1985.

The repayments under the Costa Rican deal are spread over 10 years including a five *year grace period. Costa Rica's* foreign debt is estimated to total *about $3.5bn.*

Teamsters chief rebuffs commission on crime

BY TERRY DODSWORTH IN NEW YORK

A U.S. presidential commission into organised crime has failed to crack the defences of Mr *Jackie Presser,* president of the Teamsters, the nation's largest labour union, *who has* been acused of links with convicted labour racketeers.

In testimony to the commission in Chicago, Mr Presser repeatedly refused to answer questions, even pleading the Fifth Amendment—which gives a person the right to refuse to *refuse to testify against himself* —when asked when he became president of the union.

The commission is holding hearings with the aim of "educating" the American public on the involvement of organised crime in the labour movement.

Four unions commonly charged with having links with the Mafia have been the objective of this instructional drive. They are the International Brotherhood of Teamsters, the Laborers' International Union of *North America,* the Hotel and Restaurant Employees' International *Union and the* International Longshoremen's Union.

Mr Presser, who once described his present position as "an electric chair," said that he could not give evidence to the commission because he was the "principal target" of a Federal investigation into a Cleveland union organisation he used to head.

Three *previous presidents* of the union, Mr Roy Williams, Mr James Hoffa (who later *disappeared* and is assumed to have been killed by mobsters) and Mr Dave Beck were convicted of criminal activities.

U.S. queries Soviet policy after shooting of officer

BY OUR WASHINGTON STAFF

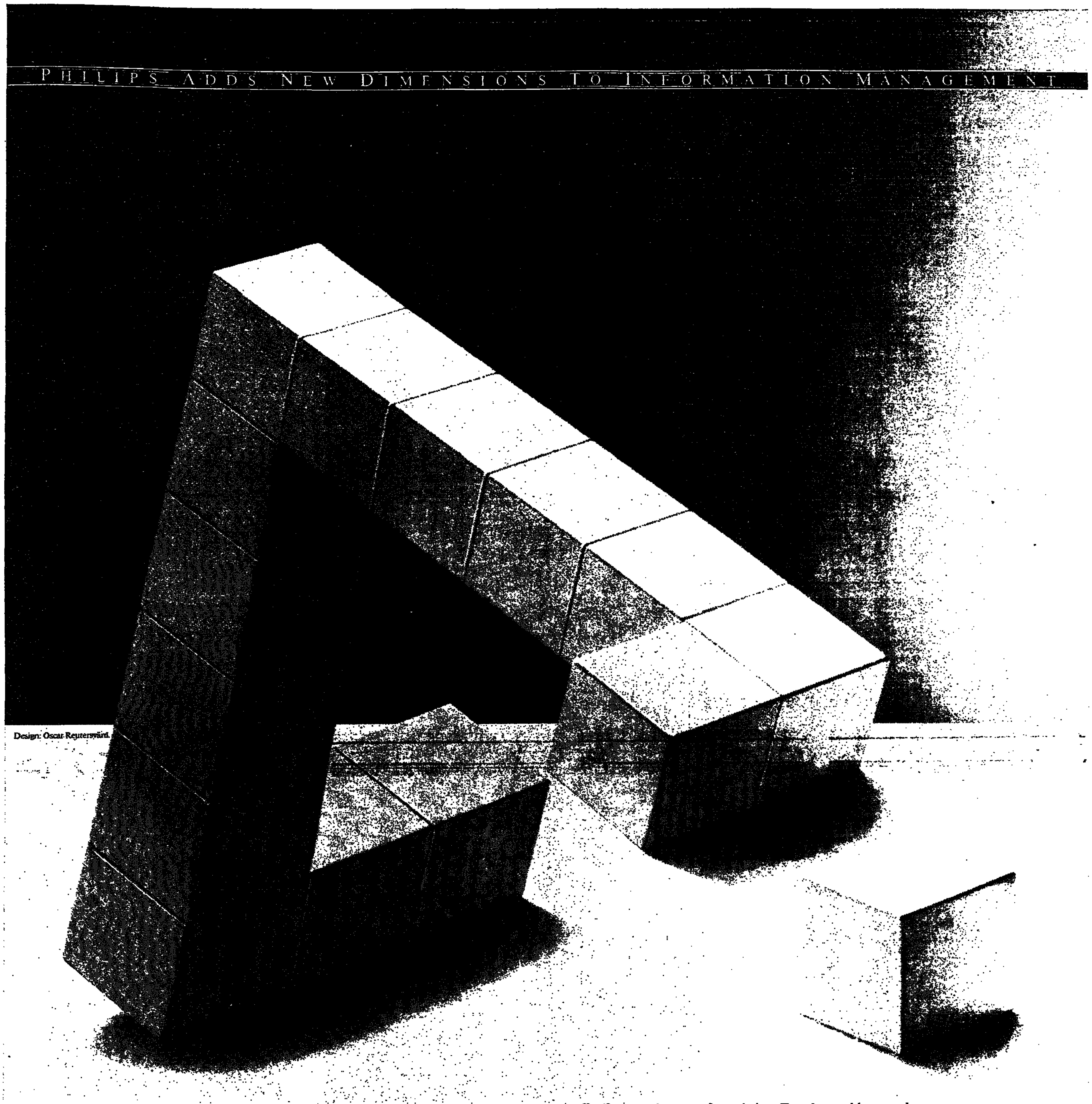
THE CONTROVERSY over the shooting of a U.S. army major by a Soviet sentry in East Germany last month has continued with the Reagan *Administration* asking Moscow to clarify its statement that it had never promised to refrain from using force if a similar situation arises.

Moscow's denial of a promise not to use force against U.S. military liaison personnel, and the strong U.S. reaction, cast doubts on a thaw in U.S.-Soviet relations.

Mr Lary Speakes, the White House spokesman, read a lengthy statement to reporters late on Tuesday accusing Moscow of "distorting" the facts about the shooting of Major Arthur *Nicholson.*

"Continued Soviet refusal to address this matter *is a responsible* and reciprocal fashion cannot fail to have adverse consequences on future relations," he said.

The White House softened its comments with a statement welcoming *Soviet* Leader Mikhail Gorbachev's reaffirmation, in a speech to the Communist *Party* central committee, of Soviet readiness to improve relations with the U.S.



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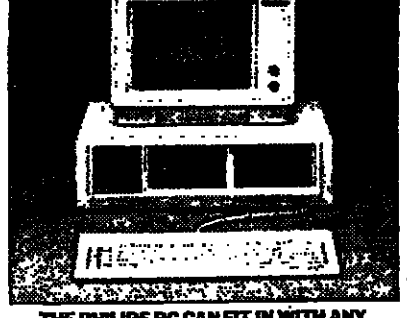

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Israelis continue march out of Lebanon

By David Lennon in Tel Aviv

ISRAELI TROOPS withdrew from eastern Lebanon yesterday, ending a three-year confrontation with the Syrian Army, which they had driven out of the southern Bekaa Valley and off the Jebel Baruk mountain range during the 1982 invasion.

Mr Yitszhak Rabin, the Israeli Defence Minister, said yesterday that he expects Syria to move its troops south "here and there" but that the Syrians knew full well that a major move southwards towards the Israeli border would be intolerable.

Mr Rabin made clear that Israel reserved freedom of action to strike back into the evacuated areas if guerrillas operate from that territory.

However, guerrilla attacks continued yesterday against the Israeli forces which are still occupying 1,250 sq km of southern Lebanon with a largely hostile population of Shi'ites and Palestinians.

Cheering soldiers riding tanks, personnel carriers and jeeps flying Israeli flags, headed southwards, on the day the nation mourned its war dead, including the almost 650 killed in the Lebanon operation.

Most Israeli soldiers yesterday seemed delighted that the dangerous and frustrating occupation of Lebanon was coming to an end. Some spoke openly of the occupation as a mistake, but others shrugged it off as just another part of their job.

Cobra attack helicopters whirred overhead as the Israeli forces abandoned their positions and withdrew their equipment, including the long-range 175m guns which had Damascus within their range.

The Israeli forces are now temporarily redeployed along the Litany river and in an area some 15km north of the Israeli border in the south-east Lebanon. The final stage of the withdrawal, begun in February, is due to be completed in the first week of June.

The 15,000 Christians in the town of Jezzine, south-east of Sidon, appeared apprehensive about the removal of Israeli protection. Some residents said they feared there would be an outbreak of fighting with the Shi'ite and Druze forces in the area.

They were clearly worried that the sectarian battles which broke out in Sidon following the earlier Israeli withdrawal will be repeated in their town, despite the presence of more than 100 men from the Israeli-backed South Lebanon Army.

David Dodwell reports from Guangdong Province on a privileged economy in rural China

A respected entrepreneur in a Pearl River village

FENG JIASONG has become rich in Deng Xiaoping's China. When his bid three years ago to farm five acres of fish ponds in his home village of Magong in the Pearl River Delta, he was taking a risk that the Cultural Revolution had taught many to avoid at all costs. Since then, he has earned more than RMB 60,000 a year (about £16,850) has built a three-storey house for RMB 100,000, and is being praised as a model for other villages to emulate.

A decade ago he would have been criticised as a "capitalist roader," and would have been a prime candidate for political re-education. Today, Feng is untroubled by the jealousies his wealth might arouse in a community which is wealthy by Chinese standards where annual earnings average RMB 1,500. Individual enterprise is encouraged, and "special economic households" like Feng's make up a significant percentage of families, particularly in the countryside.

"It's not a question of jealousy, but a question of who gets rich first," he says, echoing official comments. Feng is perhaps wisely ploughing funds into road improvements, public toilets, and help for the local school. He may be rich, but there is no way he is going to allow anyone to call him a capitalist.

Flashing gold front teeth but still wearing a drab blue Mao-jacket, he is flambuoyant about the future: "I don't believe there can be any reversal. Deng Xiaoping has a very high reputation in China."

The Pearl River region is one of three deltas identified by Peking earlier this year as focal points for rapid economic growth. Like the 14 open coastal cities and four special economic zones set up over the past five years, they have been allowed special economic privileges and a greater degree of autonomy so as to act as catalysts for progress elsewhere in the country.

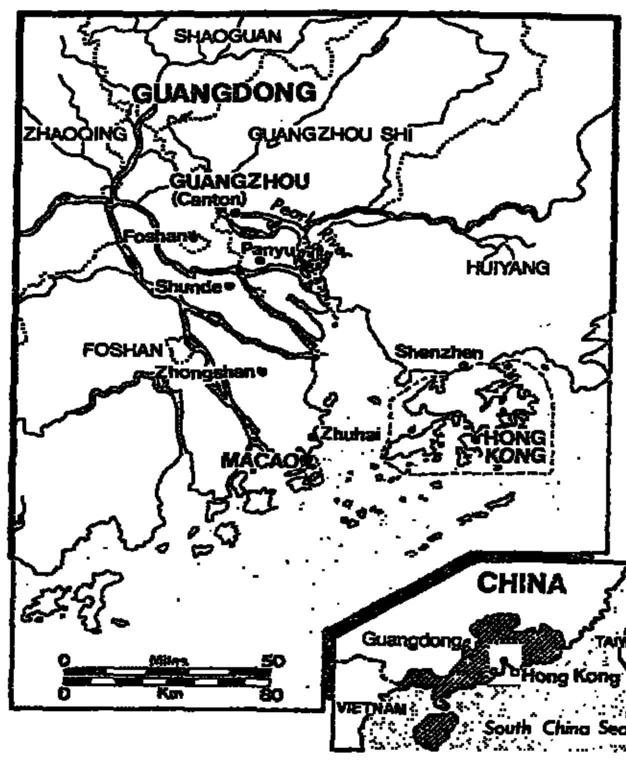
Travelling south between Foshan and Zhongshan, every township appears to be a construction site, with roads being widened, houses built, and factories rising above the roadside dust. Tangled forests of television aerials—all homed in on Hong Kong transmitters—grow from the rooftops. County officials churn out statistics suggesting that industrial and agricultural output has doubled over the past two years, with salaries rising at a similar pace.

But, of course, this area provides anything but an accurate reflection of the changes taking place in other parts of China. Fertile soil and tropical rain make it one of China's richest agricultural areas, particularly for rice, sugarcane and a range of fruits. The river-riddled delta area is critically important for fish farming.

Moreover, the closeness of Hong Kong, and the fact that hundreds of thousands of families now living in Hong Kong have their ancestral roots in the area, has helped the region to attract investment, both patriotic and commercial, on a giddying scale since 1978.

Guangdong province as a whole had attracted investment amounting to US$6.1bn (about £4.9bn) by the end of 1984. Small areas like Panyu County, with a population of less than 700,000, boast endowments amounting to HK$24m (about £2.5m) from compatriots in Hong Kong and Macao. Such compatriots have played an important part in attracting foreign investment worth US$57m, according to local officials.

Administrators in Foshan city, at the heart of a district with a population of just over 3.5m, claim to have won overseas investment amounting to US$350m. They say 70,000 jobs in the city, about a third of its workforce, depend on ventures involving "economic co-operation" with the outside world.



In Shunde County, Tang Quanyao, vice-head of the county, says donations from the estimated 300,000 overseas Chinese who trace ancestral roots to the area amount to about HK$150m and have funded a tenth of local infrastructural spending. A further US$7.8m has arrived in the form of remittances.

With such investment, the area has been transformed from a once-exclusively agricultural region to one where light industry accounts for the majority of jobs and output, and where tourism is making an important contribution to the economy.

In the wider Foshan area, agriculture accounted for no more than a third of total output last year of RMB 8.36bn. Factories making such things as toys, artificial flowers, ceramics, pharmaceuticals, ceiling fans or integrated circuits account for most of the rest.

With industrial salaries averaging between RMB 130 and RMB 150 a month, factory workers are earning about twice what they could expect to earn still working on the land. This has helped the authorities to move families out of farming and to improve agricultural efficiency. Most areas now manage two crops a year where they once managed only one. However, there is evidence that productivity remains low by international standards.

Changes occurring elsewhere in China, or in less fortunate parts of Guangdong itself, are doubtless occurring at a much slower pace, a daunting observation when the problems still confronting such model areas as the Pearl River delta are taken into account:

- Officials in factory after factory talked of chronic power shortages, with the provincial grid meeting only between half and two-thirds of their needs. All continuous process plants had installed their own diesel generators.
- Infrastructure remains poor. Traffic between Canton (Guangzhou) in the north and Zhubai in the south is slowed by single-carriageway roads and numerous ferry crossings. A number of impressive and expensive bridges have replaced ferries, but the time and money that must still be spent is formidable. The Canton-Zhuhai super-highway, once finished, will be an important stimulus for growth, but it is likely to be a decade yet before the project takes shape. Telephone and telex links in the area are rudimnetary.
- Equipment available in most factories is antiquated. Lu Ruihua, the acting mayor of Foshan, claimed with a puzzling statistical exactness that, while 11 per cent of the machinery used in factories in the area was "up to the standards of the 1980s," 42 per cent was "up to 1970's standards." Presumably the remaining 47 per cent is based on technology pre-dating the Cultural Revolution or is at least 15 years old.
- Just eight of the factories in the province have as yet been made responsible for thier own profits or losses. Even these have to buy most of their raw materials at controlled prices and conduct most of their local and export trade through state trading corporations. They get paid in local currency for their exported output rather than in foreign exchange, with little awareness of the competitive forces at work in international trade.

Despite the problems still facing them, officials in the Pearl River area boast growth rates ranging between 20 and 50 per cent per year over the past three years. Some of the problems have undoubtedly been thrown up by the sheer pace of growth, and this has prompted some of the more cautious voices in Peking to suggest that the brakes should be applied.

Only this week Mrs Chen Muhua, the recently appointed president of the People's Bank of China, complained that rural industries had developed too fast and could not in future rely on attracting their present large share of rural bank lending.

According to the English-language China Daily, Mrs Chen said rural enterprises will have to rely more heavily on their own accumulated funds as the central government tries to tighten credit control in an effort to smooth the pace of economic reform. They accounted for half of rural bank loans last year, and were an important reason for an "excessive" RMB 8bn increase in currency in circulation, she said.

As Mr Jie Chufa, deputy mayor of Zhongshan, commented in the luxurious, Hong Kong-funded surroundings of the Zhongshan's Hot Springs Golf Club—China's only operative golf course, designed by Arnold Palmer: 'As far as this region is concerned, we have no intention of slowing growth.'

India, China discover the burdens of food surplus

CHINA and India, the world's two most populous nations which battled for years to achieve self-sufficiency in food grains, are suffering from an embarrassment of riches, Reuter reports from New Delhi.

Delegates from the two nations told a United Nations seminar here in New Delhi yesterday their governments were considering changing food management policies to overcome a huge foodgrain surplus.

After decades of food scarcity and imports, the two Asian neighbours, which account for nearly 40 per cent of the world's 4.75bn, were burdened with problems such as storing and transporting surplus grain, they said.

Food experts from 24 countries in Asia and the Pacific are attending the Food and Agriculture Organisation (FAO) seminar on "Food Security."

Liu Dongping, a deputy director of China's Commerce Ministry, said his country's grain output rose to a record 407m tonnes in 1984 from another bumper harvest of 387m tonnes in the previous year.

". . . We want to change our food composition from foodgrain to meat, milk and eggs," Liu said.

India's bumper harvests in the past two years stopped a run of food imports during the previous three years but the record crops have left warehouses overflowing with grain.

Mr Rao Birendra Singh, India's Food and Civil Supplies Minister, said foodgrain stocks with the Government had already topped 22m tonnes against the country's storage capacity of 20m tonnes. The stock was likely to rise to an unprecedented level of 28m tonnes in the next two months, he said.

To reduce stocks, Mr Singh said, it might be worth considering restricting supplies of subsidised grain to only poorer Indians rather than for all as now.

- The All-China Federation of Trade Unions announced on Tuesday that it is ready to consider restoring relations with the Soviet trade union movement, AP reports from Peking.

The official Xinhua news agency also quoted Wang Jiachong, vice president of the federation, as telling a news conference, "We restored relations with the trade union organisation of the German Democratic Republic (East Germany) last year and with the Hungarian trade union two years ago."

China's state-approved unions broke relations with unions in the East bloc in 1967, after the Sino-Soviet ideological split.

Reuter adds: Peking's bus drivers have mounted a rare go-slow to protest about pay and bonuses, Wang said Tuesday. "In some enterprises the workers have opinions on their pay and bonuses. They reflect this in actions which have an influence on production."

HK jury move rejected

BY OUR HONG KONG CORRESPONDENT

THE HONG KONG Government yesterday capitulated in the face of mounting public protest over plans to replace juries with panels of professional adjudicators in hearing complex commercial crimes.

Nominated members of the territory's Legislative Council decided yesterday to challenge the Government by calling for a select committee to look into the issue rather than allow the Commercial Crimes Bill to receive a second reading in the council next week.

Rather than risk an embarrassing division in the council chamber between nominated members and government officials, the territory's Legal Department, which has been sponsoring the Bill, promptly announced it would support the nominated members' proposal.

The withdrawal makes it almost certain that in the autumn of this year, trials linked with the collapse of Carrian Investments, the property and shipping group that went into liquidation in 1983 with debts of at least HK$10bn (£1bn), most of them to Malaysia's biggest bank, will be heard by a normal jury.

The setback was seen yesterday by members of Hong Kong's legal community as a blow to the reputation of Mr Michael Thomas, the territory's Attorney General, who has fought fiercely in favour of the reforms. It is also an embarrassment to Sir Edward Youde, Hong Kong's Governor, who recently took the unusual step of openly supporting the reforms.

S. African mining disputes

BY JIM JONES IN JOHANNESBURG

SOUTH AFRICA'S black National Union of Mineworkers (NUM) has declared two disputes with the country's gold mining industry which presage tough bargaining when both sides begin negotiating on wage hikes next month.

The disputes involve one with the Gold Fields of South Africa (GFSA) mining house over conversion of re-enlistment bonuses to leave pay and the other with Anglo American Corporation over the extension to employees of a 10 per cent wage increase awarded to a small number of black mine officials in January.

On Monday the NUM presented the Chamber of Mines, which is the employers' co-ordinating body, with a preliminary 40 per cent across-the-board wage demand in addition to demands for improvements in conditions of employment.

Negotiations on black wages are due to get under way early in May and will be accompanied by pressure from the 110,000-strong NUM for an acceleration of the process of eliminating the final vestiges of job reservation which prevent blacks from occupying responsible positions at the workface.

The all-white 23,000-strong Mine Workers Union (MWU) remains opposed to the relaxation of racial job barriers unless this is accompanied by satisfactory guarantees of job security for its members. In a move which was widely seen as signalling a determined bargaining stance on job reservation, the MWU declared an official dispute with the chamber in March at the start of the white wage negotiating round. The MWU called for a 20 per cent wage increase for its members while the chamber countered with an offer of 9.5 per cent.

On February 26, Mr Danie Steyn, the Minister of Mineral and Energy Affairs, told Parliament that he was not satisfied with progress in talks between the chamber and white unions on satisfactory means of lifting the few remaining barriers to black job advancement. He added that he hoped legislation could be introduced in the 1986 parliamentary session to scrap racial job bars.

Violence leaves 12 wounded in Indian city

AT LEAST 12 people were wounded in fresh clashes yesterday in Ahmedabad in Gujarat state, western India, where more than 35 people have died in week-long riots over government policy on minorities, Reuter reports.

Police said fighting between supporters and opponents of the policy flared in the old walled quarter and on the outskirts of the city when an indefinite curfew was lifted for two hours.

The minority policy reserves jobs and college places for underprivileged groups.

Soldiers carrying machine-guns patrolled city streets, almost deserted after factories, shops and offices closed and buses stopped running following the fighting which also involved police.

- In Sri Lanka's Eastern Province, the army started moving in yesterday in areas which have been rocked by clashes between Moslems and Tamils during the past fortnight, a government spokesman said.

Township youths battle police

BY ANTHONY ROBINSON IN CAPE TOWN

MORE THAN 70 black youths demanding the withdrawal of troops and police from the township clashed with police yesterday in Alexandra, scene of bitter fighting during the 1976 Soweto rising and the township closest to the white northern suburbs of Johannesburg.

As police moved in to break up the demonstration with tear gas, cars were stoned by the mainly school-age rioters and factories and shops were set alight.

Army units later moved into the township to assist police.

Until recently Alexandra and Soweto were islands of relative calm while unrest flared in other townships in the Vaal Triangle, the Eastern Cape and elsewhere.

Last week, however, bottle stores, laundries and supermarkets owned by the former mayor of Soweto, Mr Ephraim Tshabalala, were set alight by gangs of youths and a white factory owner was stoned and his factory damaged in Alexandra.

Police described yesterday's outbreak as "part of a methodic but apparently motiveless campaign of terror in the township."

One of the victims of recent violence is the Rev Sam Buti, the mayor of Alexandra and former president of the South African Council of Churches. Throughout the 1960s and 1970s Mr Buti led a hard-fought campaign to prevent the Government uprooting residents and razing the township as a "black spot." Having won that battle he then fought for government funds to rehabilitate houses and upgrade facilities.

Despite Mr Buti's high prestige among older residents he was told by young radicals within the township to resign as mayor. Similar demands have led to the resignation of many other mayors and black councillors on threat of death and destruction of property. Mr Buti refused to resign and his home next to the Anglican church in Alexandra has since ben firebombed on several occasions.

Morocco plans sweeping privatisation

MOROCCO'S new centre-right Government is to pursue a bold privatisation policy in an effort to overcome economic difficulties, Prime Minister Mohamed Karim Lamrani said, Reuter reports from Rabat.

In a statement to Parliament last night, he said some economic sectors taken over by the state after independence from France in 1956 would be gradually handed over to private enterprise.

He said the Government coalition named by King Hassan on April 11 envisaged "a bold policy of denationalisation to return to private enterprise everything that naturally belongs to it."

Agriculture will be one of the first sectors involved and the 250,000 hectares (100,000 acres) of French settler land nationalised in 1973 are to be transferred to private ownership.

State companies will be rationalised to make them more productive and privatisation of some of them could not be excluded, Mr Lamrani said.

Morocco must pursue a realistic policy to correct large trade and budget deficits and repay its foreign debt estimated at $12.5bn (£9.8bn) and currently being rescheduled, the Prime Minister said.

Zambian Cabinet changed

BY PATTI WALDMEIR IN LUSAKA

PRESIDENT Kenneth Kaunda of Zambia has announced an extensive reshuffle of his Cabinet, including changes in the three most senior positions in the Government.

President Kaunda said at a news conference yesterday that the former Finance Minister, Mr K. S. K. Musokotwane, will take over from Mr Nalumino Mundia as Prime Minister. The move comes when Zambia is involved in intensive discussions with the International Monetary Fund (IMF) in an attempt to re-activate its suspended stand-by borrowing programme with the Fund.

Referring to the presence of a five-man IMF team in Lusaka, President Kaunda repeated his past criticisms of the Fund's formula for economic reform in Zambia, believed to include a substantial devaluation of the Kwacha. He did not rule out eventual agreement with the Fund to tackle Zambia's "grave economic problems," saying that "it would appear we have no way but the IMF way."

Mr Grey Zulu, widely regarded as a possible successor to the 61-year-old President, moves from the senior position of Secretary of State for Defence and Security to become Secretary-General of the Ruling United National Independence Party (UNIP). He is replaced at Defence by Mr A. K. Shapi, a member of UNIP's central committee.

Sihanouk urged to stay

BY KEIRAN COOK IN BANDUNG, INDONESIA

COUNTRIES in the Association of South-East Asian Nations and China are appealing to Prince Norodom Sihanouk, the head of the coalition fighting the Vietnamese in Kampuchea, to reconsider a request to resign from his post. Prince Sihanouk wrote to his coalition allies saying he was in bad health, but observers say he has become increasingly dejected recently, particularly after the Vietnamese overran coalition bases near the Thai border.

News of the appeal came here in Bandung, where the Asean countries, China, and representatives from more than 80 other countries have gathered for a special commemoration meeting of the 1955 Asia Africa Bandung conference.

It is felt that if Prince Sihanouk did resign, it would be a serious blow to the morale of the coalition. Prince Sihanouk has played a vital role in gaining popular support for the coalition within Kampuchea, and has also led a successful campaign for its recognition.

To the Holders of

FANUC LTD

3¾% Convertible Bonds 1998

NOTICE OF ISSUANCE OF CONVERTIBLE SECURITIES

Pursuant to Clause 7 of the Trust Deed dated December 6, 1983 between Fanuc Ltd and The Industrial Bank of Japan Trust Company, under which the above-described Bonds were issued, you are hereby notified that an issue of securities which will be convertible into Shares of our Company has been authorized for issuance on May 9, 1985.

Based upon the number of Shares outstanding as of March 31, 1985, it would now appear that, pursuant to Condition 5(C) (x) of the Bonds, no adjustment of the Conversion Price shall be required solely as a result of this issuance.

Final determination will be made based upon the number of Shares outstanding as of May 8, 1985. If no adjustment is required, no further publication will be made.

FANUC LTD

Dated: April 25, 1985

U.S. suggests date for talks on new Gatt round

BY CHRISTIAN TYLER, TRADE EDITOR

THE U.S. is stepping up the pressure on other countries to commit themselves by the end of the summer to global trade negotiations starting next year.

Mr Michael Smith, Deputy U.S. Trade Representative, said the U.S. will propose July 22 as the starting date of agenda preparations by a committee of senior officials from nations of the General Agreement on Tariffs and Trade.

The proposal will be put to a routine meeting of the Gatt governing council next week.

The U.S. is confident that the economic summit in Bonn at the end of the same week, comprising the U.S., Japan, Canada, West Germany, Britain, France, Italy and the EEC Commission, will endorse its hopes of a Gatt negotiation to start formally early next year.

Whatever the summit leaders decide, however, it would be for a committee of 18 Gatt nations—the Consultative Group—to authorise agenda preparation when it meets on May 13 and 14.

It is still far from clear that the Group will automatically approve.

Developing countries, especially Brazil and India, are still full of reservations despite an apparent softening of the line at last week's World Bank and International Monetary Fund meetings in Washington.

A further cimplication is that the Multifibre Arrangements, which permit bilateral quotas to control most of world trade in textiles, is due to be renegotiated by the end of next July.

The persent curbs on textiles trade are a major grievance with many of the poorer developing countries and would have to be included on the Gatt agenda.

Much preparatory work has already been done by various Gatt working parties set up over two years ago. But agreements on even the parameters of a full negotiation have been difficult to achieve, with the notable exception of trade in agriculture.

Formal negotiations would have to be launched by a full session of the 90 Gatt nations, possibly meeting at Ministerial level, early next year.

Mr Smith confirmed in Washington that the U.S. is prepared to see the controversial issues to which the developing countries are objecting—such as trade in services and high technology, and trade-related foreign investment—tackled later in the negotiations.

If the 1973-79 Tokyo Round negotiation is any guide, the new round could take five years or more. It is being suggested in Geneva that there would therefore have to be a twin-track procedure, with the new and difficult liberalisation issues being taken more slowly than the others.

S. African coal plant order for Voest-Alpine

By Patrick Blum in Vienna

VOEST-ALPINE, the Austrian state-owned steel, engineering and electronics group, and its West German subsidiary Korf Engineering, have won a contract to build a major coal-reduction plant in South Africa.

The contract was signed with Iscor, the South African steel company, and the total cost of the project is expected to exceed Rand 110m (£48m).

The two companies will supply the equipment, build and commission the plant on a turnkey basis.

Several South African companies will also participate in the project, although the lion's share of the work will go to the Voest companies.

The contract was won after several test trials carried out in West Germany. The process to be used in the plant was developed by Korf Engineering.

The company said that its process could cut production costs by more than 30 per cent compared with that of traditional plants.

Libyan contract

Technimont, the plant engineering subsidiary of the Milan-based Montedison group, has won a contract worth $50m (£41m) from the Libyan authorities to supervise the second phase of the construction of a petrochemical plant, James Buxton reports from Rome.

The plant, at Ras Lanuf, is an ethylene complex. Technimont will be responsible for design co-ordination, procurement and construction, as well as the starting-up of the plant.

Singapore in CoCom hi-tech pledge

BY CHRIS SHERWELL IN SINGAPORE

SINGAPORE has become the first country outside Nato and Japan to say publicly that it is ready to co-operate with the U.S. to prevent the diversion of sensitive high-technology products to Soviet-bloc countries.

The announcement was made unexpectedly by Dr Tony Tan, Minister of Finance, and aimed at blunting U.S. concern that such strategic technology could leak through Singapore, a free trading island state which has rapidly achieved a sophisticated level of economic development.

It also comes at a time when officials expect approaches from Washington to sign a bilateral agreement similar to ones which are said to have been reached with Sweden and Switzerland, but which have remained unpublicised.

Such agreements, if they exist or are under negotiation, aim to control the export of goods to countries on a restricted list compiled by CoCom, the Paris-based Co-ordinating Committee of Multinational Export Controls, which groups Nato members and Japan.

Some officials in Singapore are also speaking of a "secret list" compiled in Washington apparently by the Pentagon, which names 15 countries suspected of being used as "clearing houses" for high technology products destined for unauthorised end-users, principally Soviet-bloc nations.

U.S. officials in Singapore refuse all comment on the subject. But it is presumed that the list includes neutral states which are known to be highly sensitive over the issue, and several so-called Newly Industrialising Countries (NICs).

Dr Tan clearly chose a highly appropriate occasion to offer Singapore's reassurances—the ceremonial opening of a $50m (£41m) microchip design and fabrication facility built for the Italian group SGS. The facility is believed to be the first such integrated plant in Asia outside Japan.

He said Singapore was "well aware" of the industrialised countries' concern over the leakage of high-technology products, and went on: "Let me state quite categorically that there need be no misunderstanding between us and our friends on this issue.

"Singapore is prepared to co-operate not only with the U.S. but also with the other members of CoCom and to discuss the possibility of arriving at a mutually acceptable arrangement.

A high-ranking U.S. Defence Department official has accused a Congressional sub-committee of obstructing efforts by the U.S. Adminstration and the Western allies to keep sensitive high technology out of the hands of the Soviet Union, AP reports

Mr Richard Perle, assistant defence secretary, denounced an amendent approved by a House of Representatives panel to bar funds to increase the staff of the U.S. delegation to CoCom, the allied organisation that decides which high-technology items can be sold to Communist countries.

"I am concerned that this committee would undertake the action seeking to reverse that commitment," he said in testimony to the House foreign affairs sub-committee on international economic policy.

The committee has argued that tighter controls may stifle U.S. competitiveness with allied nations.

U.S.-Mexico export subsidy pact

BY NANCY DUNNE IN WASHINGTON

THE U.S. and Mexico have signed an export subsidies agreement and announced that they will begin talks on a general trade and investment pact. The announcement is the latest in a series of moves designed to reduce trade frictions between the two nations.

Mr William Brock, the U.S. Trade Representative, and Sr Hector Hernandez Cervantes, Mexican Secretary of Commerce and Industrial Development, who signed the accord, said the pact and the agreement to talk about a more general trade treaty represents a significant improvement in their relationship.

Under the pact, Mexico agreed to conform its general subsidy policy to those allowed under the General Agreement on Tariffs and Trade (Gatt) and to phase out export subsidles.

The U.S. agreed that Mexico will be entitled to an "injury test" in U.S. countervailing and duty investigations.

Mexico is not a member of Gatt, nor a signatory of its subsidies code. It has thus been vulnerable to case-by-case complaints by U.S. manufacturers that its exports gain unfairly from Government loans, fiscal incentives and energy price benefits.

In the absence of the injury test, the U.S. has in the past two years imposed countervailing duties on such Mexican exports as steel, car parts, ceramic tiles, leather garments and construction materials.

The two sides have been close to a formal subsidies agreement for some time. But Congress has been reluctant to extend the injury test to Mexico because of its two-tiered energy pricing policy and import restrictions on pharmaceuticals.

Early this month, Mexico issued new rules more acceptable to U.S. pharmaceutical producers.

Other trade problems may be resolved in the negotiations for a general trade and investment agreement which could cover tariffs and non-tariff barriers.

India chooses Europeans for telephone deal

By John Elliott in New Delhi

THREE EUROPEAN companies were yesterday named by the Indian Government as winners of a contest to collaborate in the development of electronic telephone instruments with Indian companies.

They are Siemens of West Germany, Ericsson of Sweden, and ITT Face of Italy. They beat a number of other companies including GEC and Pye Philips of the UK.

The three companies will collaborate with public-sector businesses owned by three Indian states and with other companies in the private sector.

Italy, Malta in move to end dispute on trade

By Godfrey Grima in Valletta

ITALY and Malta are shortly expected to launch a series of confidence-building measures to resolve their long-standing dispute over trade, and Italian economic aid offers to Malta.

This, apparently, was the outcome of last Friday's working lunch in Rome at which Italy's Premier, Sig Bettino Craxi, and Malta's new Prime Minister, Dr Carmelo Mifsud Bonnici, agreed on what steps to take towards a full restoration of economic, trading and political relations.

Dr Mifsud Bonnici said this week that he expected the first moves to be made "within days."

The key issue to the dispute has been a $15m (£12.5m) Italian grant which Malta failed to utilise within the prescribed period at the end of 1983.

Additionally, Italy has made little effort to redress a constantly worsening trade imbalance in the exchange of goods with Malta.

In October last year the Government of Malta's former Premier, Mr Dom Mintoff, imposed a stringent ban on Italian imports and curtailed Maltese travel to Italy "to avoid a bad situation from becoming disastrous."

Since taking over as Prime Minister, Dr Mifsud Bonnici has been relying on less controversial diplomatic initiatives to mend his island's relations with Italy.

He appears particularly keen to enlist the Italian Government's backing in his quest for a second financial aid package from the EEC which is currently being negotiated.

Cable and Wireless faces Gibraltar franchise threat

BY JOSEPH GARCIA IN GIBRALTAR

THE Gibraltar Government has warned Cable and Wireless of the UK that their exclusive communications franchise here may not be renewed when it expires in 1987.

The company handles international traffic, including telephones and telex, under a 15-year franchise agreement. It owns an earth satellite station.

An attempt by the local government to secure what they term a more equitable share of the income derived from such traffic has failed to make progress after several months of negotiations.

The Chief Minister, Sir Joshua Hassan, said in the Gibraltar House of Assembly that there had been disappointing results in the discussions with Cable and Wireless and that the Government may now seriously consider alternative arrangements. He drew attention to the expiry of the franchise.

It is understood that British Telecom have shown a firm interest in co-operating with the Government here if the Cable and Wireless link with Gibraltar comes to an end

Officials here are showing signs of wanting to have a direct control over international communications which is seen as a highly profitable enterprise.

The minister responsible for telephones, Mr Brian Perez, confirmed that the Government's attitude towards Cable and Wireless had hardened following the deadlock in the negotiations over the share of income. It was an unsatisfactory state of affairs, he said.

Computer groups boost investment in Ireland

BY OUR TRADE STAFF

FOUR U.S. companies in the computer industry have announced investments in Ireland.

The investments, which are grant-aided by the Industrial Development Authority (IDA) of Ireland, total almost £7m and will create 265 jobs.

The companies are Accuray, Computer Products, Dahlstrom and Key Tronic.

Key Tronic Corporation of Washington State is locating in Dundalk, its investment will be over £4m and it will employ 150 within two years.

Accuray, a subsidiary of Accuray Corporation of Ohio, is expanding its existing process automation factory in Dundalk. The expansion will involve an investment of £2.4m in building and in installing new plant and equipment. As a result of its expansion, Accuray Ireland will be recruiting 45 additional staff.

Accuray provides measurement and control systems for the paper, pulp and cigarette manufacturing industries.

Only eight months after committing to a manufacturing project in Dublin, Computer Products of Florida has revised its plans upwards to meet larger-than-anticipated demand. Its new project is to manufacture process measurement and control systems for the petrochemical and electrical industries. Buoyant market conditions have led Computer Products to triple its factory space in Dublin, and to increase its payroll from 30 to 50.

Dahlstrom Manufacturing of New York is opening its first overseas production unit in North Dublin. The £400,000 project will employ 50 in manufacturing precision sheet metal fabrications for the computer and electronics industries.

● West Germany was the main European source of inward investment into Ireland in 1984, with over 20 companies approved for grant aid by the IDA, and five more projects in the first quarter of 1985 confirm the level of German commitment to Ireland.

Norwegian rig company plans China subsidiary

DYVI OFFSHORE, a Norwegian rig-owning company, plans to establish a subsidiary in China as a 50-50 joint venture with the Chinese Ministry of Geology, which is responsible for oil exploration, Fay Gjester in Oslo writes.

An agreement with the Chinese authorities, which will pave the way for the new company, is due to be signed next week. Among other matters, it provides for Dyvi to train Chinese drill crews on North Sea rigs.

Mr Magne Reed, Dyvi's managing director, says the new concern may decide to build drilling rigs in China, thus creating market openings for Norwegian-made rig equipment.

Mr Reed is a member of a Norwegian export promotion delegation, headed by Norway's Crown Prince Harald, and including officials, businessmen and industrialists, which has been visiting China this month.

Nisshin Oil Mills and a Chinese company have agreed to set up a joint company in China to build and operate facilities for making edible oil, AP-DJ reports from Tokyo. This is the first joint venture company between Japan and China established to produce edible oil.

The facilities, which will process 1,000 metric tons of soyabeans and other materials a day into edible oil, will be built in the Dairen Economic and Technical Developing Zone in North-East China, an official said.

● China and the Philippines have signed a new agreement aimed at increasing trade between the two countries to $500m (£416m) a year, AP-DJ reports from Manila.

A government statement said the agreement was signed by China's Foreign Minister Wu Xuequian and the acting Philippine Foreign Minister, Sr Pacifico Castro, in the presence of President Ferdinand Narcos before the Chinese official ended a five-day visit to the Philippines.

Official figures show China and the Philippines traded $280.4m worth of goods last year, with the Philippines importing $160m-worth more than it exported.

● Alcatel-Thomson has won an order from the province of Canton for three of its E-10 digital telephone switching systems, AP-DJ reports from Paris. The subsidiary of France's state-owned Cie Générale Eléctricité (CGE) said the equipment, valued at about FFr 35m (£3m) will be used to upgrade telephone service in the city of Dong Guan.

International Appointments

Executive Director - Trading

Zealcorp

Wellington, New Zealand

The Development Finance Corporation of New Zealand (DFC), New Zealand's *development bank, recently announced the* establishment of a wholly-owned investment banking subsidiary, **Zealcorp Financial Ltd.**, which will offer a broad range of investment banking *services with particular emphasis on innovation* in capital markets. In addition, Zealcorp will *undertake foreign exchange and futures trading in* the name of DFC.

We have been retained to assist in the selection of an Executive Director–Trading, whose main responsibilities will be for the ongoing development *of foreign exchange trading activities in corporate and interbank markets. At the same time, the* successful candidate will be expected to continue the involvement with developing New Zealand's capital markets.

Applications are invited from professionally qualified executives with proven management skills who can demonstrate a minimum of ten years' relevant experience. In particular candidates should possess in-depth technical knowledge of all aspects of foreign exchange, futures and interest rate and currency swaps, having traded in international markets.

As a Board member, the incumbent will work closely with the Managing Director on matters of overall policy, planning and control, whilst being *directly responsible for the profitable development* of the trading unit.

This represents a rare opportunity to join a prestigious institution with an international reputation *for expertise in innovative financing of organisations* which are contributing significantly to the development of New Zealand's economy.

The remuneration package, which will include *an internationally-orientated performance-related* bonus, will reflect the importance placed upon this key management position.

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(Ref: 5959/A/L)

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(Ref: 5959/B/L)

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NTDC

MANAGER

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The Chairman
Northern Territory
Development Corporation
GPO Box 2245
Darwin N T. 5794
Australia

Telephone enquiries should be referred to.
Mr Adam Gordon (089) 89 4213
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NTDC 453

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Candidates are universitary graduated (Master in business administration is preferred) and have a strong background in oil-products marketing covering Europe, Far-East and U.S.A. A minimum of 10 years experience matured in a Multinational Oil Company is required.

2. MARKETING ADVISER LUBRICANTS

The candidate is university graduated (Master in business administration preferred) with experience both in Petroleum Engineering and in Petroleum Economics. He is expert in lubricant business with a minimum of 10 years experience in base and finished lube-oil together with an in-depth knowledge of the economic and the commercial facets of the lubricants trade in international markets.
He will assess the lube-oil market potential (domestic and export), carry out adequate studies and recommend to Company's Management how to implement the marketing/sales strategy.

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He will provide technical assistance to the daily marketing operations related to crude, petroleum products, nominations and liftings and answer questions such as those concerning the quality of shipments. He will work very closely with the Division Manager and will provide general advice on the co-ordination of marketing vis-à-vis refineries' operations.

He will have a minimum of 10 years experience of petroleum engineering possibly with a Master in Business Administration or a Degree in Economics.

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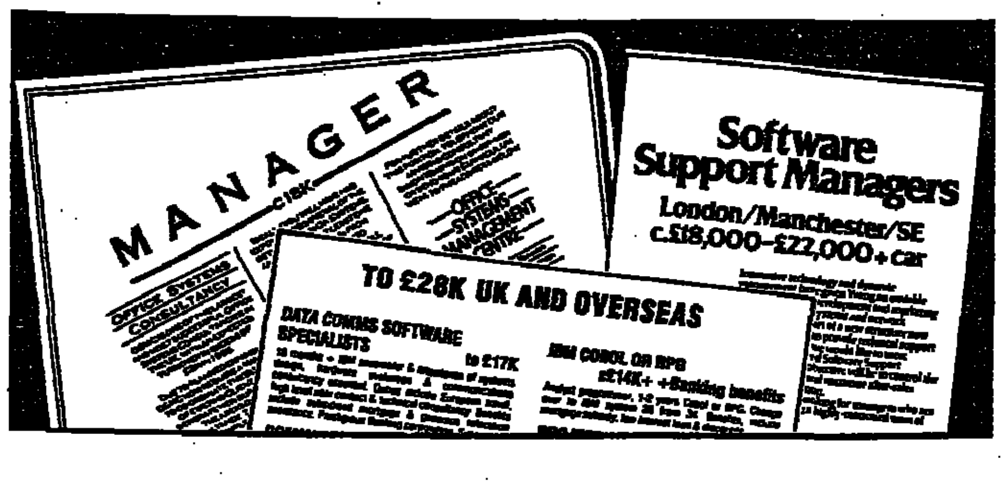
APPOINTMENTS ADVERTISING

is continued today on pages 11, 12, 13, 14, 15, 16, 17, 18

INFORMATION TECHNOLOGY

A plea for enlightened recruitment

By Andrew Rowe and Adam Pode



BRITAIN'S Information Technology industry is facing a crisis. Of that no one seems to be in doubt.

The Select Committee on Employment heard of hundreds, if not thousands, of vacancies for a whole range of jobs in the industry, even as unemployment marches on towards 4m. Marconi, the electronics subsidiary of GEC, told the Butcher working party that it "could use several hundred electronic engineers *today*." That same working party reported that between 1981-82 and 1989-90 demand for graduates in key areas would rise sharply—24 per cent for electrical/electronic engineers, 44 per cent for maths, 61 per cent for computer science and 21 per cent for physics.

If Britain cannot meet that demand, we can say goodbye to our promising IT industry. We already have a deficit of over £2bn in IT products and hardly need to be told by Hewlett Packard, the giant U.S. company, that unless we can meet the demand for skilled recruits the fifth generation computers will be built elsewhere.

So what can be done? The Butcher working party is pinning its faith on a much better partnership between education and industry. The University Grants Committee and the National Advisory Body on Public Higher Education are being asked to identify their teaching needs so that industry can gauge what assistance can be provided, and the institutions are to identify their need for equipment. Teachers will be seconded more regularly and more carefully to industry and the whole business of giving *students industrial experience* is to be re-examined and good practice publicised. Excellent. But overdue and almost certainly far from enough.

Lessons, on the other hand, can be drawn from a profession which traditionally seems to have little difficulty in attracting the necessary recruits.

The key features of accountancy recruitment and training include

- The accounting firms carry most of the costs. Not for them the cry which goes up constantly from IT firms that it is not fair to train recruits only to see them go elsewhere. Some 50 per cent of new accountants leave to work with firms other than their training partnership.
- Conversion plays a vital part in accountancy training—only 30 per cent of recruits have studied "relevant" subjects in their first degree. Indeed, in the professional examinations, a higher proportion of recruits with non-relevant first degrees are successful than those with relevant subjects at under-graduate level. This will make the results of the recent Marconi experiment—in which the company *offered conversion training* to 60 arts graduates—particularly relevant. The new Information Institute at Cranfield is also aiming to "convert" 5,000 graduates per annum.
- Management training is an important part of courses for accountancy recruits. But it appears that this is not regarded as nearly as important in IT training. There is no doubt that the hope of realising management aspirations is a powerful inducement to potential recruits.

In spite of these encouraging features, the accountancy profession is not exemplary. Accountancy Personnel, the recruitment agency, this week reported that Britain is suffering at the moment from a serious shortage of young and partly qualified accountants. Explanations given include the failure of employers to train enough during the recession and the strong desire to recruit university graduates, which has made it more difficult to recruit those without degrees.

Personal qualities rank high in accountancy and there is evidence to suggest that the profession takes trouble and understands the need to recruit trainees with all-round qualities likely to be needed by managers in the future.

Across the whole field of recruitment and training, UK management's ability to assess personal qualities is lamentably under-developed. The result is a dangerous over-dependence on academic qualifications. It is noticeable that, even at a time when IT firms are clamouring for graduate recruits, they remain strangely unwilling to look at graduates with lower than a 2.1 degree. This is particularly so with arts graduates willing to "convert." Yet, *prima facie*, the graduate who wants to switch disciplines is precisely the sort of individual likely to have under-performed in the examinations in his university discipline. Data published by the Institute of Chartered Accountants admittedly shows that there is a marked correlation between success in the professional examinations and degree class — but when 57.3 per cent of arts candidates with a 2.2 at first degree and 45.5 per cent with a third or a pass degree succeed in qualifying as accountants, perhaps a profession as hungry for recruits as IT should be less academically élitist in its recruitment.

Another marked distinction between accountancy and IT recruitment lies in the intake of women. Butcher pointed out that only 5 per cent of graduates entering IT were female, whereas women students now account for 26 per cent of the entry to accountancy. This suggests that a determined marketing drive aimed at women is overdue.

Nobody can know with certainty how best to ensure an expanding stream of good recruits into any business. One element in the accountancy training programme which has no parallel in IT is the long period of off the job training. In three years, the trainee accountant does 22 weeks of full time study and it is common to do 12-15 hours of private study in addition to office hours. In IT, only about 5 per cent of entrants study for any length of time off the job and, in at least one major company, the introductory course lasts only one week.

That there is already a crisis in IT manpower is not in doubt. What is in doubt is the UK's ability to surmount it. In such a rapidly expanding profession, where the price of failure would be so huge, every effort has to be made and every possibility explored. In IT, 40 per cent of all firms do no training at all. Many of the rest appear mesmerised by academic qualifications on paper, male oriented and too little concerned with personal, as opposed to intellectual, qualities. It is in the interests of everyone in Britain to ensure a change.

Andrew Rowe is Conservative MP for Mid-Kent; Adam Pode is his research assistant.

OTTOMAN BANK

NOTICE IS HEREBY GIVEN that, in accordance with Article 29 of the Statutes, the ANNUAL GENERAL MEETING of Shareholders will be held on WEDNESDAY, the 22nd MAY 1985, in THE SKINNERS' HALL, 8, DOWGATE HILL, LONDON EC4 at 11 am to receive a Report from the Committee with the Accounts for the year ended 31st December 1984; to propose a Dividend; and to elect Members of the Committee.

By Article 27 of the Statutes the General Meeting is composed of holders, whether in person or by proxy or both together, of at least thirty shares, who, to be entitled to take part in the Meeting, must deposit their shares and, as may be necessary, their proxies at the Head Office of the Company in Istanbul or at any of the branches, or in London at Dunster House, 3rd floor, 37 Mincing Lane, EC3R 7DN or in Paris at 7 rue Meyerbeer, 75009, at least ten days before the date fixed *for the Meeting*.

The Report of the Committee and the Accounts which will be presented to the General Meeting are available to the Shareholders at the Head Office in Istanbul and at the offices in London and Paris.

T. R. STEPHENS
Secretary to the Committee

24th April 1985

AFRICAN AGRICULTURE

Techniques that give some ground for hope of easing a continent's food crisis

By Andrew Gowers, recently in Nigeria

AMIDST ALL the gloom about Africa's worsening food crisis, there remains at least one small corner where optimism is not extinct.

Scientists at the International Institute of Tropical Agriculture near Ibadan in western Nigeria are working on a range of vital techniques and technologies which they reckon could revolutionise farming on the continent's fragile soils.

In a way, the appearance of the Institute's 1,000-hectare estate speaks for itself. Its manicured lawns and tidily cultivated fields are worlds away from the sprawling conurbation five miles down the road, and from the derelict expanses of overgrown, unkempt land beyond.

Equally, with the dismal performance of African agriculture as a backdrop, the hopes expressed by IITA experts can seem as if they refer to another *planet.*

In the 20 to 30 years since most of sub-Saharan Africa emerged from colonial rule, food production has been increasingly out of line with the needs of a rapidly growing population.

Per capita food output has declined in 30 out of 35 black African countries, and in the 1970s the growth rate of food production was less than half the population growth rate.

Imports of essential foodstuffs have swallowed up ever-increasing amounts of precious foreign exchange. Africa's grain imports doubled in volume and grew fivefold in cost during the 1970s.

The scale of the problem seems like a recipe for despair. But sceptics should be reminded of Asia—as the institute's staff are constantly reminding their visitors.

"In the 1960s, Asia went through much the same crisis *that Africa is experiencing* now," writes Dr Ermond Hartmans, the institute's Dutch-born and soon-to-retire director-general. "But several Asian countries — all of them big importers of food—pulled out by adopting technology from national and international agricultural centres and by making a solid commitment to rural development."

Says Mr Rattan Lal, an enthusiastic Indian soil scientist at IITA: "What happened relatively quickly in Asia could happen here. I just know it."

Of course, such parallels should not be taken too far. As Dr Hartmans himself readily acknowledges, Asia's transformation was an *altogether simpler* affair, with many more odds in its favour.

"In Asia the Green Revolution dealt with two cereal crops—rice and to a lesser extent wheat—an abundance of water, relatively fertile deep *soils* and a *well-developed* infrastructure.

"Africa's Green Revolution is dealing with many crops, uneven water supplies, fragile, inherently infertile soils and an infrastructure that is largely poorly developed. *It is* an entirely different situation obviously calling for a different approach."

America's International Food Policy Research Institute agrees. In a recent report, it said: "The possibility of major technological breakthroughs in Africa now seems less likely than in Asia in the 1960s, if for no other reason than because Asian agriculture was dominated by young soils and the prospect of good water con*trol*, *whereas African* agriculture is dominated by old soils with little prospect of good water control for decades."

Nonetheless, IITA—founded in 1967 and funded along with 13 other centres around the world through a body known as the Consultative Group on International Agricultural Research—believes it is well on the way to defining an appropriate strategy.

It did not have much to build on. By comparison with the billions of dollars which have been spent on boosting yields and piling up food surpluses in the temperate countries of western Europe and North America, the problems of tropical agriculture have not had much attention. They *include:*

● The extraordinary vulnerability of the soil. When tropical forest is cleared for cultivation, the exposed soil generally experiences a change. Its acidity increases sharply, essential nutrients are leached out, and the finer surface particles, including vital organic matter, are swept away by erosion. In addition, the inevitable increase in surface temperature resulting from the removal of forest cover literally burns up any remaining biologically-useful material.

● The small size of most African farms. In Nigeria, for example, where much of the IITA's work has been concentrated, typical peasant families cultivate an average area of only one hectare, usually divided into three or more units separated by long distances. What is more, the average farm size has been declining in the past 10 years.

Such subsistance farming will never generate enough food for Africa's booming cities. In fact, the IITA maintains that many traditional Nigerian farms of this size cannot even feed the families which run them.

● The diseases and pests which thrive in Africa's hot and humid climate. The important root crop cassava has been particularly prone to both. In the 1960's, the threat came from African mosaic, an endemic disease in much of the continent, and the fast-spreading bacterial blight. Ten years later, a new mence appeared in the *form of two exotic insects: the* mealybug and the green spider mite.

A fertiliser demonstration in Knávda, a village in Nigeria

Both creatures are native to the Americas, and were accidentally introduced into Africa in the early 1970s. By 1980, they had colonised virtually half the continent's cassava-growing areas, causing yield reductions of up to 60 per cent and estimated annual losses of $1.8bn.

Since the expensive agrochemicals used to keep pests under control in more temperate countries are simply not available to most African farmers, the IITA has been forced to look for a different approach here, too.

The need for more resilient *and productive crop varieties* was the starting point for IITA's research, and root crops—capable of producing more calories per hectare than other foods—the initial priority.

For cassava, which provides *more* than half the calorific requirement for most Africans, the Institute bred disease-resistant strains during the 1970s some of which are yielding up to three times as much as traditional varieties.

To attack the mites and bugs it has been seeking to introduce natural predators which keep the insects under control.

IITA has also made striking progress with new techniques for breeding yams, another important staple in the African diet. Yam output in West Africa has been stagnant for the last few years owing to increasing production costs—particularly the losses involved in setting aside about one-fifth of the annual crop for seed.

By germinating small pieces of yam tuber in special nurseries, the Institute has found a way of boosting seed yam production about tenfold, achieving significant savings for farmers.

Other work has focused on breeding sturdy and high-yielding varieties of maize and protein crops such as cowpeas and soyabeans.

But at least as important as the crops themselves is the cropping system. Traditional farming techniques have been identified by the IITA as the greatest single obstacle to increased food production in Africa.

Under the so-called "bush fallow" system followed by tropical peasants for thousands of years, farming is an unstable and unrewarding business. Typically, a farmer clears his chosen plot of land *and plants* cassava, yam and cowpeas, say, between banana and cocoa trees.

But the familiar pattern of erosion and burn-up quickly takes over, so that the land becomes infertile within two or three years and probably cannot be cultivated again for another 10 to 15 years. The peasant must move on and start the same back-breaking process all over again.

Faced with the low productivity of traditional systems, some African countries, including Nigeria, have sought to boost food output by developing large-scale industrial farms, based on alien techniques and imported technologies.

> The Institute has bred disease-resistant strains of cassava and has discovered how to boost seed yam output about tenfold

The IITA believes this approach to have been entirely misguided. According to Dr Hartmans, inappropriate land-clearing techniques and soil management methods in Africa have led to erosion on a massive scale.

The Institute learned this lesson the hard way. Its research farm was originally built up on the basis of the soundest Western technology. But within five years of its inception, the land was deteriorating and crop yields declining fast; as a result, part of the estate is almost completely useless as farmland.

Says Dr Hartmans: "In no country in sub-Saharan Africa has there been a clearly visible increase in production that could be attributed to the adoption of a package of inputs based on new technology. . . . The aim should be to change innovatively rather than replace traditional farming systems completely."

His researchers have come up with systems which—while incorporating some tried and tested practices—are applicable to relatively small farms, conserve the tropical soil and do not demand sophisticated or expensive equipment.

The most important innovations advocated by the Institute are:

● A modest increase in average farm size from less than two hectares to about five.

● *Some degree of mechanisation* to reduce the sheer drudgery of the African farmer's life. The IITA has developed simple devices such as animal-drawn planting machines and a cheap three-wheel tractor.

● *Alley-cropping.* This entails literally growing field crops in "alleys" between trees and shrubs, clippings from which provide nutrients and cover for the soil. Alley-cropped fields at IITA have produced good yields from maize, cassava and other crops for eight years at a stretch.

● No-till farming, which virtually eliminates ploughing and harrowing of the land. Under this system, crop remains provide a so-called "mulch" of organic matter for the soil, through which the next crop is sown directly.

The refreshing thing about all these points is that they go beyond the customary debate about *inadequate agricultural* policies in Africa and address the practicalities of farming. That is not to say, of course, that the policy issues are not equally important. As one IITA official points out: "If production from Africa's small farms is doubled it would bring a considerable increase in food production. But to achieve this, the farmer must be assured that his hard work is going to be rewarded. He must be confident that if he produces more, he is going to get a fair profit."

If it thinks it has the answers to many problems of farming in the tropics, the Institute is far from complacent about getting them put into practice. Even proper government pricing policies for agriculture are not enough if adequate storage and transport facilities are not on hand.

Every week, IITA officials are besieged by Nigerian farmers seeking help and advice. Their products are catching on increasingly with private companies within the country. But officials admit that their ideas have a long way to go before finding widespread acceptance in Africa.

JOBS COLUMN

How top managers' pay ranges across Europe

BY MICHAEL DIXON

HERE, as I threatened a week ago, are the Jobs Column's indicators of top managers' salaries in nine European countries. The table is compiled from the survey by Executive Compensation Service, a subsidiary of the Wyatt group of international actuaries and management consultants.

My figures refer to only three kinds of manager in each place: chief executives, and directors of finance and of personnel. The full survey gives far more extensive information. Anyone wanting it should contact Heather Bowker of ECS at Avenue Roger Vandendriessche 18 (Box 3), B-1150 Brussels, Belgium; telephone (02) 771 99 10, telex 65154.

No adjustment has been made for differences in cost of living from land to land. I have just taken the basic salaries, total money rewards including bonuses and the like, and annual values of "in-kind" perks such as cars as they were when ECS made the study last December.

But in converting the foreign currencies into sterling, I did some updating by using the exchange rates prevailing at the market close last Friday. (By Tuesday night, the sterling values of the other currencies had risen slightly except for those of Germany and Spain, which were the same.)

The left-hand set of three columns of figures gives the averages for each job category in each of the countries which are ranked by the chief executive's average basic salary. Which of the other two directors comes next is also decided by average basic salary. By that criterion only Switzerland and France value personnel directors above finance directors.

The next three sets of three columns give an idea—which averages do not—of the ranges involved in each case. The lower quartile is the basic salary, total rewards or perks' value of the person a quarter way up the ranking of all in the same category. The median refers to the person mid-way in the ranking and the upper quartile to the one quarter way *down*.

One of many things the table has not room to show is important for Britain whose high-tech industries complain of a damaging shortage of key engineers. The ECS survey suggests we value our top industrial engineers less than the other countries do.

On average, our engineering directors' overall pay (total money earnings plus perks) are only 52.3 per cent of those of our chief executives. The corresponding figures for the other countries are France 55.2, Germany 55.9, Italy 57.2, Belgium 59.6, Switzerland 62.5, Netherlands 63.9, Spain 70.8 and Portugal 73.2 per cent.

Country and job category	AVERAGE Basic salary £	AVERAGE Total money rewards £	AVERAGE Value of perks £	LOWER QUARTILE Basic salary £	LOWER QUARTILE Total money rewards £	LOWER QUARTILE Value of perks £	MEDIAN Basic salary £	MEDIAN Total money rewards £	MEDIAN Value of perks £	UPPER QUARTILE Basic salary £	UPPER QUARTILE Total money rewards £	UPPER QUARTILE Value of perks £
Switzerland:												
Chief executive	67,218	75,018	11,759	52,326	57,014	5,315	63,396	70,291	9,831	77,743	81,515	14,523
Personnel director	42,595	45,052	9,097	34,341	35,725	3,878	41,121	43,643	7,881	53,199	55,430	11,545
Finance director	40,592	43,546	6,548	33,452	35,033	2,726	40,166	42,463	5,205	46,958	47,074	11,061
West Germany:												
Chief executive	54,848	60,538	7,495	42,528	47,074	3,407	53,059	56,900	5,144	63,553	72,952	8,151
Finance director	34,817	37,495	4,674	28,268	29,659	2,101	33,243	36,317	3,482	40,655	43,761	5,384
Personnel director	33,269	34,614	5,589	26,408	26,601	2,263	30,918	32,947	4,460	41,170	42,283	8,206
France:												
Chief executive	48,241	54,586	3,994	37,389	39,228	1,422	45,337	49,698	2,809	57,693	65,184	4,928
Personnel director	29,161	30,479	2,388	24,168	24,635	1,095	27,467	29,564	2,192	33,880	35,261	3,515
Finance director	28,504	30,120	2,393	22,642	24,331	1,102	28,027	30,350	1,804	33,526	35,221	3,390
Netherlands:												
Chief executive	44,207	47,082	6,788	34,344	36,119	3,127	42,331	45,281	7,208	50,542	53,254	9,144
Finance director	29,006	30,864	3,998	24,115	25,408	1,541	28,310	28,827	3,497	33,077	35,555	5,763
Personnel director	27,373	28,209	4,540	21,146	21,956	1,405	27,571	28,439	4,163	34,113	34,216	6,847
Belgium:												
Chief executive	42,945	49,338	5,762	32,154	36,026	2,791	41,080	44,695	4,785	49,338	58,405	7,473
Finance director	28,309	30,585	3,215	22,174	22,842	1,711	27,537	28,990	2,920	34,315	34,077	4,270
Personnel director	27,949	29,453	2,932	20,566	21,505	1,350	27,293	28,424	2,379	34,868	35,215	4,167
Italy:												
Chief executive	40,897	45,846	3,903	32,077	33,874	1,781	37,959	41,753	2,491	49,282	54,673	3,801
Finance director	28,759	31,355	2,438	24,860	25,550	856	28,292	30,718	1,473	33,732	34,247	2,345
Personnel director	25,034	27,968	1,513	19,351	20,426	775	24,134	26,937	1,505	31,055	34,824	2,199
United Kingdom:												
Chief executive	39,550	43,700	7,940	29,200	30,010	3,990	34,430	39,280	6,460	48,310	53,910	11,580
Finance director	24,870	27,130	5,010	18,560	19,560	2,520	22,790	23,370	4,360	31,240	35,690	6,730
Personnel director	23,790	25,400	4,870	19,560	19,980	2,820	23,390	24,670	4,170	27,720	29,530	6,430
Spain:												
Chief executive	35,963	38,637	3,860	27,298	28,907	1,651	33,893	34,898	2,414	40,065	42,605	4,651
Finance director	27,414	29,107	3,158	22,349	23,237	1,126	24,358	24,921	1,902	30,944	33,647	4,344
Personnel director	24,540	26,181	2,665	20,563	21,395	577	22,930	24,670	1,688	28,167	30,921	3,400
Portugal:												
Chief executive	11,622	12,273	1,759	9,298	9,973	784	10,588	10,738	1,353	12,533	13,276	2,301
Finance director	9,294	9,718	1,540	7,185	7,663	752	8,656	9,203	1,226	10,729	10,902	2,027
Personnel director	9,157	9,376	1,472	7,681	7,909	674	8,884	9,039	1,166	10,064	10,301	1,984

Head of Corporate Finance London

A British merchant bank wishes to appoint a new Head of Corporate Finance. It has an excellent professional reputation, a broad *range of banking activities and an established,* profitable UK domestic corporate finance business, which it now intends to develop and grow.

The successful candidate will report to the Chief Executive and have total responsibility for the Corporate Finance Department. The task is to implement the bank's plan for the department's expansion.

An experienced Corporate Financier is needed for this key role, who will be an outstanding business developer and manager of a professional team. A notable track record in this sector of the City is essential.

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Prudential Portfolio Managers (PPM) is the investment management subsidiary of Prudential Corporation and has over £15,000 million under management. These funds are managed on behalf of a wide range of clients, including unit trust investors, pension fund trustees, and investment bond holders. We need to keep them all fully informed about the progress of their investments. Maintaining the high standard of service that is expected from the country's largest investing institution, could well be an opportunity for you . . .

As a result of continued expansion, we are looking for a marketing executive to join the investment services team which is responsible for the writing and production of a wide range of written reports and direct presentations to PPM's clients. It's a job that calls for specific attributes . . .

In the first place, a keen interest in the workings of the economy and the factors affecting the investment markets is essential. *This is because much of our time is spent* analysing stock market conditions and explaining the investment strategy being followed by PPM.

You will also need to communicate effectively in writing to a wide variety of audiences. Our regular investment reports have to attract and hold the interest of readers who will not themselves be investment or financial specialists.

Finally, you will have the opportunity to present these findings and financial forecasts at high-level presentations. You will deliver and discuss PPM's investment policies to both internal and external groups of key clients.

The role is both demanding and wide ranging in its brief. Ideally the candidate will have at least 2 - 3 years' experience in the financial services or marketing fields during which *time he or she will have accumulated the* necessary skills. A mature-minded, confident and self-motivated innovator will contribute directly to PPM's marketing activities and will have the opportunity to develop their career *within this dynamic financial services* organisation.

An attractive package will be negotiated up to £15,000 per annum and fringe benefits include a subsidised mortgage scheme and non-contributory pension.

Please write with full CV including salary to date to: Alistair Turner, Personnel Officer, Prudential Portfolio Managers Ltd., 142 Holborn Bars, London EC1N 2NH. Tel: 01-405 9222 ext 6571.

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This important and demanding role, with high visibility to both senior management and clients, has specific accountability for a very substantial equity portfolio and *overall responsibility for investment portfolio* pension funds. The clients are major companies and there will be a key involvement in the development of new business opportunities.

Candidates must be able to demonstrate an impressive track record in investment performance and effective client contact and be capable of *making a significant* contribution to investment policy. First class communication and inter-personal skills are essential together with possession of a relevant professional qualification.

For the right candidate the initial remuneration will be in excess of £30,000 p.a. with the expection of performance reviews. A first class benefits package will include a company car and mortgage subsidy.

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At Assistant Director level, the role includes full responsibility for marketing capital market products, *including primary and secondary bonds, hybrid instru-*ments and swaps to major governments, corporate and financial institutions. It requires active involvement in all aspects of negotiation, structuring, pricing and syndication.

Candidates must have experience with all of these products and a good knowledge of the U.S. and U.K. capital markets. They will also have practical marketing experience in some of these geographic areas and be able to speak at least two European languages.

An excellent salary package including bonus and bank benefits is available to those with the necessary qualifications to succeed in this demanding role. Candidates *should contact* **Chris Smith** *on* **01-404 5751** *or* write to him, quoting ref. 3495, at the Banking & Finance Division, Michael Page Partnership, 23 Southampton Place, London WC1A 2BP.

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Assistant Treasurer

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An Assistant Treasurer is required to deputise for the Group Treasurer within a small but highly professional team. You will be expected to make an immediate contribution to a whole range of treasury duties with particular emphasis on the structuring and negotiating of borrowing facilities for the group and its subsidiaries in the UK and overseas.

This is essentially both an active and advisory role demanding a significant contribution to major group projects and financings.

An honours graduate aged 28–35, with an ACA or MCT and/or an MBA, you should have at least five years' experience in either the treasury or corporate finance department of an international group in *which you have had primary responsibility in the liabilities* management area. Alternatively, you will have gained experience in the corporate lending or project finance department of a major international bank. A proven track record is essential to enable you to build credibility and respect at senior levels in the financial community, both outside and within the group.

Flexibility, coupled with determination and self-reliance, must be allied to a thoroughly commercial outlook.

The negotiable salary is supported by a range of appropriate senior executive benefits including relocation assistance where necessary.

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Keith Jones

James Capel and Co., Winchester House 100 Old Broad Street, London EC2N 1BQ

MLC

MARKETING DIRECTOR

Salary £35,000+

The Meat and Livestock Commission is a statutory body publicly accountable through the Agriculture Ministers for providing services to enhance the efficiency of the Livestock and Meat Industry. This includes the promotion of meat and meat products.

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Those with the necessary experience and personal qualities to handle such a remit are invited to write personally to the Director General by Monday 13 May clearly stating why they should be appointed to the position.

MEAT AND LIVESTOCK COMMISSION
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Marketing Director

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The successful candidate, ideally aged 26-32, will be commercially minded, have had experience in a demanding business environment, and have the personal skills to make recommendations to management at Chief Executive and Board level. Applicants should have a good honours degree, preferably in a numerate subject. A formal accounting qualification or an MBA is essential.

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01-588 6280

INSTITUTIONAL SALES

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The firm has an established reputation for research and dealing expertise in the Pacific Basin region and the successful applicants will receive full in-house support.

QUALIFICATIONS:
The ideal candidate will have relevant experience in Far East stock markets. We would also consider applications perhaps from journalists or accountants with a broader regional experience.
The successful candidates will certainly have flair, an appetite for success and the desire to travel.

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A competitive remuneration package and stimulating working conditions await the successful applicant.

APPLICATIONS:
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The Foundation, based at Stirling University, was formed to assist in recreating the spirit of enterprise in Scotland. It functions in a dynamic and demanding environment that will appeal to people with an entrepreneurial spirit.

The appointments will be for three years initially and may be extended. Salary within the scale £7,520-£14,925 (under review).

Applicants should submit a curriculum vitae together with the names of three referees to the University Secretary, University of Stirling, Stirling FK9 4LA. Tel: 0786 73171 extn 2314 from whom further details are available. Closing date for applications is 13 May 1985.

145

Pensions Director

A multi-business organisation based in the UK but operating world-wide requires a Pensions Director at the company's head office in North West London.

The job is wide-ranging and requires the applicant to have a sound knowledge of the administrative, actuarial, legal and financial matters (including investment) relating to self-administered schemes, mainly in the UK and USA.

Applicants for this important senior appointment should be aged ideally between 35 and 45, be a graduate in a relevant discipline or professionally qualified, and currently managing a substantial pension scheme.

Additionally, applicants should have sufficient experience in the company secretarial and/or finance role so as to be Secretary to the Trustee Board and be able to co-ordinate internal pension benefit systems and external advisory services. Initiative, creativity and personal qualities to devise and pursue new policies on benefit planning are also requirements.

The salary will reflect the importance of the appointment: other benefits include a company car, medical scheme and relocation assistance (if necessary).

Please write, giving brief details of age, qualifications, experience and salary to:– E. G. Jones, Director of Personnel, Smiths Industries PLC, 765 Finchley Road, Childs Hill, London NW11 8DS.

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PUBLIC LIMITED COMPANY

F/X & MONEY MANAGER

New York

Our Client is a wholly-owned subsidiary of a prominent UK Merchant Bank, and forms an integral part of the bank's global trading activities.

Our brief is to locate and identify a senior foreign exchange manager who will assume responsibility for the control and development of the trading operation, with a direct reporting line to London.

Ideal candidates will be in their 30's with a successful dealing background in both foreign exchange and euro-currencies, preferably with some experience of the newer trading instruments.

This is a senior and highly challenging appointment with a professional institution of substance and may be offered either on a permanent or a contractual basis. It will be accompanied by a salary and overall compensation package which reflects fully the importance placed upon it by our Client.

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If you can demonstrate successful career progression in the Payments function over several years and believe that you can make a positive contribution to this important appointment at a time of exciting development please write to or telephone: Derek A. Burn, M.C.P. Consultants, Halton House, 20 Holborn, London EC1N 2JD. (01-405 9000) to *arrange an informal discussion in strictest confidence.*

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Aged 30-45 you will have a minimum of ten years' international banking experience which will include at least three years' direct marketing to banks in the UK or Europe. Ideally a graduate or AIB, you are a natural self starter and enjoy taking the initiative and achieving success. Additionally, you will have good communications skills and the ability to interface both internally and with other banks.

*This is a key role within the Bank and salary will be com*petitive, reflecting both your experience and potential. The excellent benefits package will include a company car, mortgage subsidy, profit share, BUPA, etc. Please telephone or write to Carmina Leon of Cripps, Sears & Associates Ltd., Personnel Management Consultants, 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701.

Cripps, Sears

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Our client, a major International Executive Search Group, seeks to recruit a Managing Director for its long established London office.

Candidate requirements can be summarised as:—

- experience as partner or senior consultant in the UK with a professional executive search firm of high repute
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- age range 35-50

Our client would particularly like to hear from someone having an interest in entering into a licence agreement.

Please write in confidence mentioning the names of executive search firms to whom your interest should not be disclosed:

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Robert Fleming

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Candidates should be in their mid to late twenties with a background of trading in foreign exchange and money market activities and in addition should have some experience in the fields *of corporate business development and/or capital markets.* A full expatriate benefits package will be available in Hong Kong, including a salary and bonus commensurate with qualification, experience and performance.

Applicants of either sex should write enclosing a curriculum vitae to:– **Frank Smith, Robert Fleming & Co. Limited, 8 Crosby Square, London, EC3A 6AN.**

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In addition to the salary of around £14,500 pa we are offering a substantial package of banking benefits *which includes profit sharing bonus, low interest* mortgage facilities, non-contributory pension scheme and medical and life insurance plans. The opportunities for advancement within the Bank are excellent and indeed proven.

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PO Box 161, Morgan House, 1 Angel Court,
London EC2R 7AE.

The Morgan Bank

SENIOR CREDIT MANAGER – – CREDIT CONTROLLER

This vacancy calls for excellent skills in balance sheet interpretation, encompassing major asset equipment finance, with emphasis on U.K. and European transactions. French and German fluency is desirable as travel to both countries is envisaged. Age about 35 years, U.S. credit trained. **Salary negotiable to £28,000 + benefits.**

We also seek substantial big company risk assessment — proposals experience. The successful candidate will assume total responsibility for controlling and reviewing equipment finance/leasing transactions (European and U.K) together with some U.K property involvement. Age about 40-45 years. **Salary package negotiable to £30,000 p.a.**

Please Contact: Brian Gooch

CAPITAL MARKETS £Neg.

A major International Merchant Bank seeks to fill a newly created position as part of their *expansion programme. The successful applicant will be expected to assist in the* development of the bank's activities, primarily in the capital markets area. It is envisaged that the responsibilities will be split between general involvement in these markets and the legal requirements thereof. Ideally, candidates will be graduates in their mid 20's and currently working with a Merchant or Investment Bank, or a major City Practice.

Please Contact: David Williams

ASSISTANT FUND MANAGER – PACIFIC BASIN £15,000-£20,000

Investment analysts with at least 3 years experience of Far East markets and seeking to further their career with a major City based investment team, are invited to apply for this position. Candidates should be graduates and have particular knowledge of Japanese stocks. They will be in their mid to late 20's and are not likely to be earning less than £15,000 p.a. at present. A competitive salary and benefits package is available, and will include a mortgage at preferential rates.

Please Contact: Roger Steare

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Accountancy Appointments

House of Commons
(Department of the Clerk of the House)

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The Treasury and Civil Service Committee require a Specialist Assistant to cover economic questions. The duties will include giving specialist assistance to the Clerk of the Committee and undertaking research into specific questions.

Applications are invited from candidates with a good degree or an equivalent professional qualification in a relevant subject together with several years' relevant practical experience. An interest in public administration would be an advantage.

The preferred age range is 28-35 years and for a successful candidate within this range the salary is likely to be between £11,782 to £14,444 pa according to age, qualifications and experience. Applications from particularly well qualified candidates aged 25-27 will also be considered. The salary for this age group is likely to be between £9,793 and £12,029 pa.

There is a non-contributory pension scheme with interchange arrangements with other Public Service pension schemes. The appointment will commence on or as soon as possible after 1st October 1985 and will be for a period of between two and four years.

Strict political impartiality is required of all House of Commons staff and the person appointed will be expected not to engage in political activities for the duration of the appointment.

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For further details and application form write to the Establishments Office, House of Commons, London SW1A 0AA, or telephone 01-219 5544 (answering service) quoting reference:—2A/47. Closing date for return of application forms 17th May 1985.

ACCOUNTANT/ADMINISTRATION MANAGER

Financial Services c £14,000 + benefits

Our client, The Iveagh Trustees Limited, is a privately-owned international trustee and investment management company with a wide diversification of interests.

Due to continued growth, they now seek to recruit an experienced Accountant to take charge of a variety of non-routine assignments.

Reporting to the Directors you will assume responsibility for a broad spectrum of financial matters connected with stock market and property investments, trust and private company administration and personal tax planning.

Candidates (aged 27-35) will have a sound record of achievement preferably within a financial organisation, together with the initiative and energy to succeed in this demanding role.

For further information please write, enclosing career details, or telephone Susan Ross:

FIRTH ROSS MARTIN ASSOCIATES, WARDGATE HOUSE
59A LONDON WALL, LONDON EC2M 5TP - TELEPHONE: 01-628 2441

Firth Ross Martin

Fund Managers' Assistant
CITY

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Offering considerable potential for progression, the role entails providing assistance to Cornhill's specialist Fund Managers who cover a wide range of investment markets.

A competitive salary will be offered and additional benefits are in line with those you would expect from a leading insurance company.

Applications will be treated in confidence and should be made in writing including current salary to Nigel Still, Assistant Manager Personnel, Cornhill Insurance PLC, 57 Ladymead, Guildford, Surrey GU1 1DB.

Cornhill Insurance Group

ASSISTANT MANAGER CORRESPONDENT BANKING £ neg.
A high profile City based bank who are expanding their international correspondent banking sector and are keen to speak to senior bankers who have offered this service overseas or have developed treasury business on the Continent or Middle East.

CORPORATE FINANCE £ neg.
The securities subsidiary of a leading international bank are seeking a corporate or commercial finance executive with 1-3 years' experience in liability and asset SWAPS to join a team developing this market.

CHIEF ACCOUNTANT £25,000
An experienced banking accountant (a professional qualification would be an advantage) is being sought by an expanding international bank, to be responsible for the smooth running of the accounts, FX and Computer Operations.

FOREIGN EXCHANGE DEALERS £ neg.
Senior dealers currently dealing on the Spot, Forward or Deposit markets are being urgently sought by 3 leading banks with active dealing rooms. Salaries are negotiable.

ARBITRAGE DEALER £ neg.
An experienced all round Foreign Exchange dealer who is a specialist or deals regularly in this aspect of FX dealing, is required by a leading international bank.

SENIOR ACCOUNTANTS c. £15,000-£18,000
Banking or stockbroking experience is essential in two interesting positions in expanding situations in the City.

OLD BROAD STREET BUREAU LIMITED
STAFF CONSULTANTS 01-588 3991

INTERNATIONAL ANALYST
£14,000 neg

Major Merchant Bank requires an ambitious graduate banker who has approximately 2 years' Corporate Credit Analysis experience. Working on International portfolios you will be expected to assess new business with particular reference to economic and sovereign risk. Excellent prospects are offered for further development into Marketing or Corporate Finance. Age 24/28, plus mortgage and bonus.

FOR FURTHER DETAILS PLEASE CALL
MIKE BLUNDELL JONES on
01-236 1113 (24 Hours)
PORTMAN RECRUITMENT SERVICES

Partnership Accountant
Consulting Actuaries £18-£22,000

Our client is a large and well established firm of consulting actuaries with a countrywide and international network of offices. This new role is indicative of the growth of the organisation and its need to extend the present systems of financial control and the provision of management information.

It is a demanding position which will require a high calibre individual capable of taking an overview of the firm's long term business needs, who can then develop enhanced computerised accounting systems and procedures.

The successful candidate will be a qualified accountant in his/her early thirties who can demonstrate success within a profit orientated organisation. Experience of computerised accounting systems is important. Essential is the ability to grow with the job, potentially taking responsibility for subsidiary companies and some administration.

The position will be based at the firm's office in Liverpool with limited travel to London and other U.K. offices.

Candidates with drive and ambition who can fulfil this role should send a curriculum vitae to Anne Campbell (reference 52), Spicer and Pegler Associates, Executive Selection, St. Mary Axe, London EC3A 8BJ.

Spicer and Pegler, Associates
Management Services

Financial Controller
Reinsurance
London

Our client, a major insurance company, has recently established a new reinsurance company in London to operate on an international basis.

The financial controller will set up the accounting and management information systems and be a key member of the management team. There will be la requirement to be closely involved in the commercial decisions of the company.

Applicants, probably aged under 40, will be qualified accountants with some management experience in a reinsurance company.

A substantial salary will be paid, and there are excellent benefits. There will be advancement opportunities.

Please write in confidence to M J B Ping enclosing a detailed curriculum vitae, and quoting reference F/235/P, Ernst & Whinney, Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

Ernst & Whinney

FINANCIAL CONTROLLER
with commercial involvement

The Northern Foods Meat Group continues to be one of the most profitable companies in our industry. Having built 4 new factories, acquired 2 companies and invested heavily in 5 others, turnover has doubled to nearly £200m over the last 5 years. Committed to quality, we manufacture a wide range of fresh and frozen meat based products which are sold both under our own brands and the labels of most of the major national quality retailers.

One of the largest of our 15 operating companies, Baron Meats of Wisbech, has a turnover of £20m and employs around 400 people manufacturing quality own label and branded cooked meat products. As their Financial Controller you will be responsible for providing the financial, management and budgetary controls required to meet the needs of this complex business. You will be ideally aged 28-35, qualified, with a manufacturing industry background and have experience of computer-based financial reporting systems. As essential as a high technical proficiency will be the intellectual, personal and managerial skills necessary to contribute on a wider commercial basis as a member of the small management team.

The salary, 2 litre car and other benefits reflect the seniority of the position and will certainly be attractive to the man or woman who demonstrates the ability to make an immediate impact on the business and the potential to take advantage of the future possibilities for career progression, both within the Meat Group and our parent company, Northern Foods plc.

Interested? If so please write briefly, since application forms will be sent to selected applicants, giving details of your background, experience and current salary to:-

Northern Foods

Chris Edley, Personnel Director, Northern Foods Meat Group, Queen's Drive, Nottingham NG2 1LU.

Hoggett Bowers
Executive Search and Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Financial Controller/ Company Secretary
West of Scotland, c £17,000 + car

The opportunity for an experienced C.A. to join a profitable self-accounting subsidiary of a major U.K. group, with extensive interests in textiles. The successful applicant will have responsibility for all aspects of financial management within the business, and contribute as a member of a successful management team, to the continuing development of the business.
Candidates must have a career to date which covers all aspects of financial control and reporting within a manufacturing business, ideally processing raw materials. Sound inter-personal skills are essential, together with an objective and critical approach to the application of effective control systems and procedures.
An excellent remuneration package includes generous relocation assistance and *successful performance will lead to a Board appointment within 12 months.*

J.C. Brown, Ref: 31718/FT. Male or female candidates should telephone in confidence for a Personal History Form **041-221 2585,** *127 St. Vincent Street,* **GLASGOW,** *G2 5JR.*

ACCOUNTANT
INDEPENDENT SHIPPING COMPANY

Based in London, part of Independent Oil Trading and Shipping Group requires person to head its accounts department.
Qualification preferred but consideration give nto relevant experience and exposure to mini/micro computer systems (IBM 36 in use).
Remuneration: Salary negotiable, pension plan, Bupa, after qualifying period.

Please address replies to:

Group Shipping Financial Executive
c/o Box A8962, Financial Times
10 Cannon Street, London EC4P 4BY

Financial Controller...
for a leading mechanical installation company

£15,000

This well established high integrity engineering construction Group is to appoint a Financial Controller for its £15 million, Cheshire based, parent company.

Candidates, who must be qualified ACMA's with experience in heavy engineering, project management or construction, will have the necessary personal abilities to manage and develop a small team involved in all aspects of cost and management accounting.

Responsibility is to the Financial Director for contract cost control, DP, management accounts, forecasting and systems.

The appointment requires a self starting, strong minded, shirt sleeves accountant with good experience of the key financial functions particularly computorised accounts. The ideal age range is 28 to 35 Success in this post could lead to further group-wide opportunities.

Candidates should write with full c.v., quoting ref. AR/067, to: March Personnel Services, 33 King Street, Manchester M2 6AA.

MARCH
PERSONNEL SERVICES

Young graduate ACA
£12,500-£15,000 + benefits : London + travel

This opportunity with a fast growing division of a major international company represents an attractive starting point for a career in industry.

Initially, the successful applicant will work at the centre on consolidations, acquisition investigations and internal audits. Thereafter, he or she will be expected to take accounting responsibility either in a UK subsidiary or overseas. Longer term prospects are excellent.

Candidates must be able to demonstrate maturity and strong communication skills in addition to good academic and professional qualifications.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Sue Prior ref. B.1977.

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CONFIDENTIAL ADVERTISING

Senior Financial Executive
Up to £17,000 p.a. Bromley, Kent

Tiphook Holdings Limited, a rapidly expanding private group, requires an accountant experienced in computer systems. The integration of accounting and management information systems using IBM System 36 is considered to be the primary function. Subsequently, the provision of financial models and other applications on IBM PC's will be used to take the group into the next generation of automated office procedures. Future career prospects within this ambitious group are excellent and success in this role will lead to a senior line appointment.

Candidates aged 30-35 will be qualified accountants with a good accounting background and a successful record of installing/implementing computerised control and reporting systems. Job costing and factory accounting experience will be particularly advantageous.

Salary is negotiable up to £17,000.

Please send your c.v. without delay to Bernard L. Taylor, MBIM, quoting Ref: 6772 or telephone for a personal history form.

Mervyn Hughes Alexandre Tic (International) Ltd.
Management Recruitment Consultants

37 Golden Square,
London W1R 4AN.
01-434 4091

ORION ROYAL BANK LIMITED
A member of The Royal Bank of Canada Group

INTERNATIONAL MERGERS AND ACQUISITIONS

ORION ROYAL BANK LIMITED, a leading international merchant bank, is seeking to recruit an executive of the highest calibre for its Mergers and Acquisitions Department.

Candidates, who will ideally be in their mid-twenties, should have a good degree and be Chartered Accountants with one or two years' post-qualification experience, preferably in the investigations/mergers area with a major accountancy practice or the corporate finance department of a merchant bank.

The personality and ability to contribute positively to the Department, accept responsibility and develop rapidly are essential.

A competitive salary will be paid together with the usual bank benefits.

Please write in confidence enclosing a full curriculum vitae to:
Derek Blacker, Personnel Director,
ORION ROYAL BANK LIMITED,
1 London Wall, London EC2Y 5JX.

FINANCIAL CONTROLLER - PUBLISHING

The Institute of Physics, through its Publishing Division based in Bristol, is responsible for the publication of some 30 learned journals and about 100 new scientific, technical and medical titles each year. Due to expansion we now require a qualified accountant with first-class commercial experience to take up a new position as Financial Controller reporting directly to the Financial Director. The main responsibility will be the preparation of financial and management budgets and accounts with special emphasis on performance analysis. Wang mini and micro-computers are used extensively throughout the division.

This is an excellent career oppportunity in financial management. Salary negotiable; benefits include pension scheme with life assurance, assistance with relocation costs, etc.

Please write, in confidence, with full details of qualifications and career to Bruce Spencer, F.C.A. Financial Director, The Institute of Physics Publishing Division, Techno House, Redcliffe Way, Bristol BS1 6NX.

Accountancy Appointments

Director of Finance and Administration

City **c. £40,000**

An international financial services group seeks an outstanding financial executive for the London office of a substantial subsidiary.

Reporting to the chairman, the appointee will be responsible for the direction of financial control, information systems and the administration function, but the key contributions expected are:

- enhancing the intellectual rigour of the commercial judgement exercised in business policy and day-to-day decisions
- tightening financial disciplines and their observance.

We invite applications from graduate chartered accountants, 35 – 40, who can offer:

- management and leadership record at a senior level
- strong background in high volume transactions environment, and a special ability in risk assessment
- broad experience of EDP control and information systems
- authority, resilience and agreeable personality.

Career prospects are excellent within a world wide group.

Write, in confidence, quoting reference 3220/L, to M.R.P. Blanckenhagen, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London, EC4V 3PD, describing how you match our client's specification.

PEAT MARWICK

Management Consultants

Would you like more scope to develop?

Ipswich, Northampton, Birmingham or Manchester

c.£20,000+car

Thornton Baker Associates, part of Grant Thornton International, are rapidly expanding and extending their Management Consultancy Services throughout the UK as a result of growing client demand across the spectrum of consultancy work.

Thornton Baker has some 60 offices throughout the country, and we are now looking for men and women with the right blend of skill and experience to continue the development of our consultancy services.

We seek qualified Chartered Accountants, preferably graduates, aged probably 30-35, with a strong background in the application of financial and management accounting techniques coupled with a sound knowledge of systems/computing/information technology.

We see you as an ambitious and talented Management Consultant with not less than 3 years' professional consultancy experience eager for the variety, challenge, responsibility and professional growth that Thornton Baker Associates can offer.

In addition to the highly competitive salary and car, we offer large company benefits, including assistance with relocation wherever necessary. The prospects for promotion are excellent.

If you feel you have the right skills and experience – as well as the pioneering spirit to join us at one of our regional offices please write with full cv to Ian Woods, Regional Director, Thornton Baker Associates Limited, Kennedy Tower, St. Chads Queensway, Birmingham B4 6EL. For Manchester appointments only, to Peter Evans, Regional Director, Thornton Baker Associates Limited, Brazennose House, Brazennose Street, Manchester M2 5AX.

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A member of The Management Consultants Association

FINANCIAL DIRECTOR designate

required for rapidly expanding record retail multiple based South Midlands. The successful applicant will be an energetic chartered or certified accountant aged 25-35 years with a sound commercial background including knowledge of computerised systems and with the ability to provide accurate monthly financial information working in conjunction with the Managing Director. Excellent career advancement. Salary £15,000 negotiable.

Please write in confidence:
c o NEWMAN & CO
Chartered Accountants
12 Thayer Street, London W1

DULWICH

Excellent opportunity for qualified accountant with first class private client experience to work in small busy practice in SE21, full or part-time.

Reply with c.v., daytime telephone number, details of two referees and fees/salary required to Box A8973, Financial Times, 10 Cannon Street, London EC4P 4BY

ACCOUNTANCY APPOINTMENTS
Appear Every Thursday
Rate £37.00 Per Single Column Centimetre

Management Accounting International Banking

London **c£25,000 + car + banking benefits**

An exceptional management opportunity has arisen within a major UK clearing bank in line with the continuing development of the management accounting function, including the recent introduction of sophisticated locally based computer systems.

This senior head office role involves participation with line management in the planning and control of the international banking activities and optimisation of profitability through the provision of comprehensive management information.

As head of a sizeable department, including ten qualified accountants, this position will demand close interface with key personnel at all levels.

Aged 28-40 and a graduate, your accountancy qualification must be supported by extensive experience of computer-based management information systems, probably gained within a large international organisation at both head office and operating unit levels. Personal qualities will include initiative, above average communicative skills and self styled man-management ability.

The generous remuneration package offered is commensurate with the importance of this high profile position and includes substantial banking benefits.

Interested candidates should write to Nigel Bates FCA, Executive Division, enclosing a comprehensive c.v., quoting ref. 241, at 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

HEAD OFFICE ACCOUNTANT

City of London **c. £22,500**

Our client, a major United Kingdom public company, wishes to appoint an experienced qualified accountant to join their London based headquarters to assume responsibility for the control of the Head Office Accounts Department, which involves:–

- the preparation of statutory accounts and other financial information for a number of Head Office holding and finance companies.
- the control and development of treasury reporting for Head Office.
- the preparation of management accounts and budgets.
- the development of computerised accounting systems.
- such exercises which are, from time to time, requested by directors, banks and other parties.

The successful candidate will be a mature, qualified accountant, with several years experience in running a well organised computerised accounts department and who has obtained exposure to both management accounting and financial reporting to strict deadlines. A knowledge of consolidations is not required as the position offered is not a group accounting role.

If you would like more information, please send your written CV, in strictest confidence, to Neil Gillespie or Robert N. Collier at our London address, quoting reference no. 5238.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

Accountants

Can you judge a business risk?

Solihull **c.£25,000 plus banking benefits**

We are the leading private sector specialists for loan and equity finance. We aim to create innovative investment schemes to meet the individual requirements of each company approaching us.

We are currently seeking a further Accounting Adviser to join our Industry Department. Members of this team contribute to investment decisions by appraising and reporting to our Investment Executives on the operations of the companies seeking finance.

Working alone, an Accounting Adviser will make a two or three day visit to an applicant company prior to making a well-reasoned written investment recommendation. The decision process requires a blend of decisiveness, imagination and commercial realism. You could become one of our Accounting Advisers if you have:

- Minimum of 10 years post qualification experience as a Chartered Accountant, ideally embracing investigations followed by an industrial career rising to Controller or Director level.
- Facility to combine a succinct business overview with appropriate in-depth analysis.
- Self-discipline to operate to tight schedules, formulate reasoned judgements and write cogent reports.
- Ability to develop good relationships with financial colleagues and with customers' management.

The work entails substantial travel and an executive car is provided. Benefits include concessionary mortgage scheme and non-contributory pension plan.

Please send a concise CV, including salary history, in confidence to: M.C. Wiseman, Investors in Industry plc, Radcliffe House, Blenheim Court, Solihull, West Midlands, B91 2UB.

3i INVESTORS IN INDUSTRY

THE CREATIVE USE OF MONEY

TOUCHE ROSS & CO. MANAGEMENT CONSULTANTS

If you find our requirements demanding wait until you get the job

The job is that of a management consultant with Touche Ross & Co., one of the world's largest firms of Chartered Accountants. It's a position that offers considerable challenge and responsibility — matched by an equally substantial reward. Few individuals will take it in their stride. But then, to put it bluntly, even fewer get the chance.

Those who do are usually qualified accountants, aged up to about 40, with a good first degree and several years' commercial or industrial experience. They have intelligence and initiative, drive and ambition, and appreciate that management consultancy demands not simply technical expertise, but practical ability in communicating with clients and solving their problems.

If you think you can join our team, we expect you to be every bit as demanding as the role. You will be based in London and we will pay you up to £26,000 plus a car. We'll give you an exceptional opportunity to increase and broaden your experience, together with the chance to rub shoulders with some of the brightest minds in the business. And if you continue to impress, we're one of the few large firms who'll hold the ladder for you while you climb — and the rungs to a partnership are fewer than you might think.

For the present, however, we'd like to look at your past. So please write to Michael Hurton at the address below, enclosing details of your career to date and your salary record, quoting reference 2262.

Touche Ross & Co.
The Business Partners
Hill House, 1 Little New Street London EC4A 3TR
Telephone: 01-353 8011

HI-TECH

Controller

An excellent opportunity for a young, ambitious accountant to make a significant contribution to company performance. As Marketing Controller for this rapidly growing U.S. computer company you will provide a full financial service to operations management. Working alongside business managers key responsibilities will include forecasting, budgeting, business planning and capital expenditure appraisal. Prospects are excellent in an expanding, progressive environment. Candidates, aged c.30, should be qualified accountants with experience of an FMCG environment and the ability to effectively manage change. Ref: JG.

W. LONDON **£19,000 + Car**

Group Role

The progressive U.K. subsidiary of a U.S. computer company requires a Group Accountant to take a central, highly visible, development role. Working in a sophisticated computerised environment, you will be controlling all aspects of group accounting together with systems development and group forecasting requirements. An outstanding opportunity for a qualified accountant, 25-35, seeking a career position with challenge and rapid progression. Ref: GR.

C. HERTS **£17,000 + Car**

ROBERT HALF
FINANCIAL RECRUITMENT SPECIALISTS
ROMAN HOUSE, WOOD STREET, LONDON, EC2Y 5BA. 01-638 5191.

Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Financial Director Designate

Cotswolds, to £20,000 + car

This profitable £25m turnover subsidiary of a major British group, headquartered in an attractive area of the country, has an excellent record in the provision of specialist sub-contract services to the building industry. Internal promotion has created a requirement for a Financial Controller with the potential for early progression to the Board. Reporting to the Managing Director, the successful candidate will assume full responsibility for the management of the company's financial affairs, and the statutory company secretarial duties. Candidates, probably mid 30s, should be fully-qualified accountants with a proven record of technical expertise and managerial ability. Essential personal qualities are good communication skills, commercial awareness and the ability to contribute imaginatively to the profitable development of the business. Benefits are excellent, and relocation assistance is available.

S.P. Spindler, Ref: 24006/FT. Male or female candidates should telephone in confidence for a Personal History Form 07535 50651, 36 High Street, Eton, WINDSOR, SL4 6BD.

INTERNATIONAL OPPORTUNITY

The National Freight Consortium is an exciting and expanding group with transport, travel and property interests in the United Kingdom and overseas.

We are seeking a dynamic, fully qualified accountant to control the financial reporting of our international group from our Bedford offices, and to assist in the evaluation of potential acquisitions worldwide.

The post will be demanding, high profile and will require well-honed technical and management expertise. Good communication skills are of paramount importance as is an outstanding track record to date, featuring acquisition appraisal.

An excellent benefits package is on offer and in view of the nature of the post a company car will be provided. There is also opportunity for the purchase of shares in this employee owned consortium.

Please telephone if you are interested:
Mrs Elizabeth Toogood, Personnel Manager
NFC, Bedford (0234) 67444 Extension 288

NFC

Group Financial Accountant

A Hotel Management Group require an Accountant with experience in Hotel Accounting to take control of its financial operations. The successful applicant will be responsible for the day-to-day running of an accounting staff of approximately six persons including their training and development.

He/she will also be responsible for supervising the production of the management accounts of the hotels and will control their cash flow/budgets. He/she will be responsible for maintaining the accounts of four other limited companies in the group. Knowledge of companies would be an advantage.

The successful applicant will be expected to become involved in the acquisition of further hotels within the group and the financing thereof. A salary of approximately £18,000-£20,000 plus benefits is envisaged.

Please apply, together with a curriculum vitae, to:

D. North F.C.A.
BOWKER, ORFORD & CO.
15-19 Cavendish Place, London W1M 0DD

Accountancy Appointments

Financial and business development director

London, c£40,000, profit share, options

C&L

For a highly successful, long established £50m turnover consumer products group, a frequent Queen's Award winner with substantial export markets. *The balance sheet is strong and adequate resources are available for* business development through acquisitions and organic growth.

Reporting to the Chairman you will be responsible for the entire financial function and for developing and implementing the company's expansion and diversification plans.

Aged from 35 your post-qualification experience *should include a period spent in marketing oriented international* companies and at least three years' in the F.M.C.G. sector preferably at controller level. On the business development front the requirement is for a good record in identifying and evaluating acquisition opportunities, negotiating and liaising with vendors and professional advisers and in handling the day to day practicalities of absorbing new acquisitions into a group. This is not a large company and interpersonal skills of a high order both in and out of the boardroom will be of the essence.

Terms need not be a limiting factor.

Résumés including a daytime telephone number to John Robins, Executive Selection Division, Ref. RF241.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Fleetway House 25 Farringdon Street
London EC4A 4AQ

Financial Management Young Graduate Accountant

Age 24-28 **South Midlands**

up to £16,000 + benefits, including use of car

Our client, an international industrial group, is offering an exceptional opportunity to a young accountant *aspiring to the higher echelons of business management.* Through a unique special entry scheme, the successful candidate will gain exposure over a two year period to testing situations both within the group's headquarters and in the operating companies. In broad terms, this will offer direct experience of **finance and treasury** matters along with the practical aspects of **financial control** encountered in manufacturing and service industries.

Ideal candidates will have a good degree followed by a professional accountancy qualification. Considerable weight will attach to initiative, *communication* skills, good business instinct and a capacity for working under pressure. The company headquarters are in the South Midlands but candidates must be prepared for some travel both in the UK and overseas.

Please apply to Anthony Jones, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London, WC2A 1EG, tel: 01-242 5775.

Career plan LIMITED

Personnel Consultants

Financial Controller

Fast Growth Opportunity

Southern England

c. £20,000 + Car

Formed only 18 months ago this private Nursing Home group has already successfully opened seven Homes in Southern England to cater for the needs of the elderly and handicapped.

Its policy is to refurbish and equip existing Homes to provide the highest standards of nursing care and comfort and its plan is to open Homes throughout the South and West of England to meet the need for these facilities. Each Home is run by a fully qualified matron with a high level of autonomy but subject to strict medical supervision.

The group now requires an experienced Financial Controller to be responsible for all financial and general administration aspects of the business and to play a key role in its development.

The position calls for a Qualified Accountant with sound business acumen. Critical requirements include experience of introducing and maintaining sound accounting, administration and management information systems, cash management and short-term investment, and financial investigations work.

The person appointed will operate from home and a reasonably central location would be ideal for regular visits to the Homes.

The attractive remuneration package includes profit share scheme, car and pension arrangements.

Please send concise details including salary and day-time telephone number quoting ref: E2006 to W.S. Gilliland, Executive Selection Division, Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

SAINSBURY'S Computer Audit Manager

to £20,000 + car + outstanding package

Sainsbury's is one of Britain's most progressive and successful retail organisations whose earnings per share have shown compound real growth of 13% per annum over the last ten years. The company is at the forefront of retail systems development.

Supported by a small team of computer auditors this high profile position offers considerable scope for development of computer audit within the company.

In addition to a degree, the successful candidate must have either an accountancy qualification or impeccable credentials in computer auditing. An in depth understanding of data base technology, well developed interpersonal skills and the ability to substantiate the audit viewpoint both clearly and concisely are essential.

The benefits include a car, profit sharing and participation in very attractive share-option schemes.

Candidates should write to Philip Cartwright ACMA, Executive Division, enclosing a comprehensive curriculum vitae, quoting reference 238, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

MP

Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

Young ACA Merchant Banking

City of London **c £16,000 + Usual Banking Benefits**

Our client, a prestigious British Merchant Bank, has recently made major strategic investments to ensure its position as a leading player in the deregulated securities industry.

It is seeking to strengthen its financial control function in order to meet the changing and increasingly sophisticated requirements in the areas of management information systems and financial reporting.

The successful candidate will probably be recently qualified with relevant accounting experience together with an understanding of modern treasury accounting products and services.

Excellent personal appearance and communication skills complemented by dynamism and self-motivation will ensure success within this exciting and rapidly changing environment.

To apply, please telephone or write to Susan Tucker quoting Ref: ST 9177.

Lloyd Chapman Associates

International Search and Selection
160 New Bond Street, London W1Y 0HR.
Telephone: 01-408 1670.

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

Rate £37.00 per single column centimetre

FINANCIAL CONTROLLER (Director Potential)

LEISURE INDUSTRY

to £22,000 + car

The company operates a highly successful chain of pubs, restaurants and small hotels in Greater London and the Home Counties. Its growth has come from entrepreneurial business flair and a thoroughly professional management style. Turnover *is currently around £4m. and there are significant plans for* further growth, through strategic acquisition of prime sites, possibly culminating in an USM Listing in the medium term.

This expansion has created a demand for a commercially minded finance executive to work closely with the Chairman towards achieving the company's business objectives. As part of the management team, you will initially contribute by assessing current and projected commercial and financial assumptions and setting key target dates. Beyond this, you will be responsible for tight cash control, innovative balance sheet management and for leading a small accounts team.

Candidates must be qualified accountants, with evidence of a successful track record in a competitive and, preferably multi-location, service environment. You should be able to work effectively with people at all levels and of different disciplines. An appetite for hard work, a flexible approach and a positive, optimistic, yet informal, personality are all essential to success. Exposure to the City would be an advantage. Preferred age: 30s. To apply, please write enclosing personal, career and salary information to:

Ian Tomisson, Executive Selection Division, Hacker Young Management Consultants, St. Alphage House, 2 Fore Street, London, EC2Y 5DH.

Hacker Young MANAGEMENT CONSULTANTS

Director of Finance

Birmingham ***c£25,000 + car***

Our client is a rapidly growing UK marketing subsidiary of a major international, information technology products group with a turnover approaching £45m.

Reporting to the UK Managing Director, the Director of Finance will be completely responsible for managing and developing all the finance and data processing activities of the multi site operation, supported by approximately 25 staff. As a member of the executive management group, he/she will be expected to contribute significantly to the company's overall development and profitability—*this will include* advising on pricing, financial services for customers and funding requirements.

The successful applicant will be a qualified accountant in the 33 to 45 age range with considerable financial management experience, which should have included responsibility for information systems, credit management, financial leasing/rental, financial policies, accounting policies and internal controls. Ideally, this experience will have been gained in a fast moving marketing/distribution environment. Considerable emphasis will be placed on personal qualities—a mature and strong manager of people with a persuasive nature, able to influence and manage change in a rapidly expanding company. This is a challenging position, providing an excellent career opportunity for an ambitious and talented financial manager. The attractive, negotiable remuneration package includes relocation assistance and reflects the importance the company places on this appointment.

Suitably experienced candidates should write, in confidence, enclosing full career and salary details to Phil Gardiner, Executive Selection Division, Price Waterhouse, PO Box 120, Livery House, 169 Edmund Street, Birmingham B3 2JB (telephone 021-236 5011). Please quote reference MCS/8533.

Price Waterhouse
Business Needs Experts.

CANADIAN IMPERIAL BANK OF COMMERCE

Internal Audit

INTERNATIONAL BANKING

We are a leading international bank with an established presence in Europe.

Due to the expansion of our European operations we are now seeking to recruit 2 qualified individuals to join our internal audit function.

The responsibilities will embrace all units of the Bank in the European region including Branch operations, Foreign Exchange, Money Markets, Financial Futures, Eurobonds and Merchant Banking.

The more senior position will suit a qualified ACA ideally aged 27-30 with experience of international bank audits. A working knowledge of EDP systems involving IBM 34/36 hardware is desirable but not essential.

The second position will suit a newly qualified ACA aged 23-26 with high potential wishing to take advantage of the exposure the position will provide to international banking operations.

We offer an attractive benefits package and a remuneration level commensurate with the experience and qualifications of the successful applicant.

Please apply in writing, with a detailed C.V. indicating annual remuneration level to:

Mark Willmetts, Assistant Personnel Manager
CANADIAN IMPERIAL BANK OF COMMERCE
55 Bishopsgate, London EC2N 3NN

Financial Controller

Off-licence operations

up to £23,000 + car **based Liverpool**

The recent amalgamation of the off-licence business of Thresher and Ashe and Nephew as a new division of Whitbread & Co has created an outstanding opportunity for a commercially orientated Accountant to become Financial Controller of the Company's Northern Division based at Huyton, Liverpool.

Reporting to the Financial Director, the man or woman appointed will be responsible for the overall control of all administrative and accounting functions for some 400 of the Company's off-licences and will play a major role in establishing Huyton as a major financial and branch accounting centre for Whitbread's off-licence operations.

This challenging role will place particular emphasis on ensuring that standards of financial management are both highly professional and cost effective. It is anticipated that the successful applicant will eventually assume responsibility for management of the Huyton site.

This position calls for a fully qualified Accountant, CA or ICMA, ideally of graduate calibre with a wide range of financial accounting experience preferably gained in both head office and operating company environments. Also important are an outgoing personality, well developed communication and man-management skills, a high level of self motivation and considerable personal and professional authority. Preferred age is 28-40.

This key management appointment carries a salary of up to £23,000 pa plus a company car and an attractive range of benefits including contributory pension scheme, BUPA and 25 days' holiday.

Write with full cv to Rod Tompsett, Finance Director, Thresher and Co, Sefton House, 42 Church Road, Welwyn Garden City, Herts.

ESTD 1742

WHITBREAD

Accountancy Appointments

Chief Auditor

London W.1. **c.£18,000.**

Our clients are a substantial and well established London based company providing a service in the procurement of supplies and staff required by a number of oil exploration and development companies operating onshore and offshore in Libya.

They now seek to recruit an experienced Chartered Accountant to set up and run an internal audit function with responsibility to the Chief Executive. The main areas to be covered include systems improvement, reviews of performance in accordance with agreed contract terms, the evaluation of the reliability and accuracy of accounting records and the conduct of special investigations as and when required.

Candidates should be Chartered Accountants aged 35 to 45 with substantial audit and accounting experience in the profession and in commerce, preferably in the oil industry. They must be mature, experienced, independent and have complete integrity.

Please write in confidence with full career details, and quoting reference J1759 to J. W. Hills, Executive Selection Division, Peat Marwick Mitchell & Co., 165 Queen Victoria Street, London EC4V 3PD.

PEAT MARWICK

Financial Controller

Hampshire **£17,000+car**

Our client, is an autonomous subsidiary of a "Blue Chip" plc, specialising in the design and manufacture of sophisticated healthcare equipment, which is successful on a worldwide basis. Internal promotion has created the need for a qualified accountant to take responsibility for the finance function, with specific emphasis on financial and management accounting, forecasting and business and operational planning.

Man management experience and some exposure to manufacturing are considered pre-requisites. The preferred age is 28-34. Self motivation, commercial awareness and the drive to succeed should be among your personal qualities. Interested applicants should contact **Tony Martin** on **01-242 0965** or write to him, enclosing a comprehensive c.v., quoting ref: L2034, at 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

Financial Controller

Giltspur Engineering Design, a subsidiary of Unigate PLC, is seeking to appoint a Financial Controller who after a period of satisfactory performance will be promoted to Financial Director. Giltspur Engineering Design's team of more than 400 chartered engineers and specialists provide a total engineering design service. Projects range from small contracts to multi-million pound undertakings and have been completed for a wide range of industrial customers in the UK and overseas.

Reporting to the Managing Director, the Financial Controller will be responsible for the Finance Department and the Administration Department (a total of 16 people in four UK locations) and for the implementation of tight financial controls. Sound commercial awareness together with knowledge of computerised accounting systems is essential.

The successful applicant will be between 30 and 45, a graduate (ideally with an engineering degree) and a qualified accountant. Experience in a similar environment, whilst desirable, is not essential.

The salary will be negotiable depending upon experience and the usual company benefits, including a car, will apply.

Please write with full curriculum vitae to:

Alex Maclaren, Managing Director,
Ref: GED/FC,
GILTSPUR ENGINEERING DESIGN LIMITED,
Maxwell Road, Borehamwood, Herts, WD6 1JH.

Finance Director

Lincolnshire **c £33,000 + bonus + car**

Our client is a £350m + turnover trading company of a substantial division within a British plc group, specialising in the manufacturing and marketing of fast moving consumer goods.

Due to internal promotion into general management, they seek a Finance Director to be involved in the future expansion of the trading company in addition to the development of computerised management reporting systems following a recent restructuring of the company.

You will be a graduate calibre qualified accountant, aged 35-45, ideally with an MBA and considerable experience in a large company environment. Your managerial background should have given you a broad commercial awareness and extensive knowledge of data processing and management information systems.

An excellent remuneration package is offered, including a company performance related bonus scheme and relocation expenses where appropriate.

Candidates should write to Nigel Hopkins FCA, Executive Division, enclosing a c.v., quoting ref 240, at 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

Recently Qualified ACA

finance/admin co-ordination in investment management

London **£14-16,500+subsidised mortgage etc**

Qualified in the last two years with one of the major professional firms and now wanting to demonstrate your potential and gain extensive commercial experience in a stimulating environment without being tied to the routines of a financial or management accounting role?

Our client, the investment management arm of one of the largest British financial groups is a dominant force in the investment world. Its requirement is exciting and challenging – to assist with the financial administration of a wide range of investment subsidiaries including property and offshore funds.

This will involve extensive liaison with senior professional advisors; attending board meetings; providing financial information and co-ordinating activities of fund management companies.

Self motivation, maturity and strong communication skills are prerequisites, as is the ability to grasp quickly associated tax and legal requirements and implications. Success in this position will ensure that there is no shortage of future career options.

Seldom does such an opportunity arise, so contact:

David Tod BSc FCA on 01-405 3499 quoting ref: D/72/DF

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

FINANCIAL DIRECTOR

MID HAMPSHIRE **c £19,000 + BONUS + CAR**

Our client is a market leader in the manufacture and distribution of well-known consumer products, with brand names respected throughout the UK and overseas. With a planned turnover of £16m they are a profitable independent subsidiary of a major plc with an impressive growth record. As such they are now in the position to capitalise on their market position.

The company will soon have a vacancy for the position of Financial Director and Company Secretary. The appointment carries responsibility for some fifty staff in the accounting, data processing and sales administration departments.

The post requires the personal qualities necessary at board level, commercial awareness and technical competence in both financial management and computer systems.

The person appointed will be qualified and be ideally in their mid-thirties with a good degree and several years' experience at a senior level in a well-run distribution and manufacturing organisation —preferably consumer products.

In addition to working in a pleasant part of the country, the benefits, both personal and material, makes this an attractive opportunity. A remuneration package is offered comprising a salary of c. £19,000, a substantial profit-related bonus scheme, non-contributory pension scheme, car, the normal insurance benefits and relocation assistance. As part of a large financially-orientated group longer-term career prospects are good.

In the first instance write, enclosing your full curriculum vitae, to:

Box A8981, Financial Times, 10 Cannon Street
London EC4P 4BY

CHIEF ACCOUNTANT

to £20,000 p.a.

Our client is a leading health-care organisation based in London with an international reputation for achieving the highest standards of patient-care.

The Chief Accountant will be responsible for:

— the management of a large team covering General Ledger, Payroll, Purchase Ledger, Sales Ledger and Credit Control;

— the preparation of monthly management accounts, all accounting records and year end published accounts;

— the development and review of accounting procedures to meet the needs of a rapidly expanding organisation in harmony with the development of computer applications using Data General equipment;

— preparation of annual Cash Flow forecasts; monitoring and managing the actual Cash Flow situation.

The person we seek is likely to be a Chartered or Certified Accountant in their 30's with experience in commercial organisations, some of which should have been in a company providing services. Evidence of experience in developing and motivating staff to create a strong accounting team will be essential. Candidates must demonstrate the capacity to deal with both procedural and detail problems, and to operate in liaison with colleagues in other departments.

Salary negotiable up to £20,000 supported by a good benefits package. Applicants should write providing details of qualifications, experience and current circumstances to:

R. T. Scott, Managing Consultant,
Taylor Scott Associates Limited,
Southern House, 4-6 Peterborough Road,
Harrow, HA1 2BQ. Tel: 01-423 4193.

STa

Personnel Management & Recruitment Consultants

One of the most challenging Accountancy Positions South Wales has to offer!

Senior Financial Accountant **£17,000 plus**

This is an exceptional opportunity for an experienced, qualified Accountant with the authority, confidence and commercial flair needed to provide a comprehensive financial accounting service to one of the largest industrial complexes in South Wales.

With the support of a large professional and clerical team, you will be responsible for the effective control of a substantial £multi-million turnover and will make a significant contribution to the further commercial development of the operation.

Although qualifications (ideally degree plus ACA, ACCA or ACMA) are essential, the main requirement is your proven ability to handle a senior position within a large manufacturing environment plus genuine man-management skills.

A salary in excess of £17,000 is negotiable and the comprehensive benefits include relocation assistance to a very pleasant South Wales location.

Write enclosing full CV to Bob Edwards at PER, Grove House, Grove Place, Swansea SA1 5DH *or telephone him for an* application form on (0792) 43481.

Applications invited from both men and women

PER Professional & Executive Recruitment

Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Group Management Accountant

Graduate with Director Potential
Yorkshire, to £17,000 + Relocation

This is a rare opportunity to exercise your professional expertise within this diverse manufacturer – a household name in the consumer durables industry. The Company is restructuring its accounting function and now needs a graduate qualified ACMA or ACA aged 27+, who has extensive experience in manufacturing companies and is capable of implementing the systems and managing the changes necessary to provide the Board with the information and controls they will need en route to the status of a public company. Extensive experience in cost control systems, budgeting and forecasting in progressive companies is a must. The client is offering exceptional career prospects and an attractive benefits package.

P.A. Adderley. Ref: 11642/FT. Male or female candidates should telephone in confidence for a Personal History Form **0532 448661,** *7 Lisbon Square,* **LEEDS,** *LS1 4LZ.*

Management Accountant

London ***c£20,000***

Our client, the leasing subsidiary of a major clearing bank, seeks to appoint a qualified accountant to assume responsibility for the management accounting section of the business.

Reporting to the Chief Accountant, you would assist with budgets, financial and tax planning, forecasting, modelling and treasury. In addition you would have responsibility for a small team.

To join this prosperous and prestigious company, we would prefer you to be a Chartered Accountant, educated to degree level, with at least five years management accounting experience. Ideally you will have been articled to a top firm and have gained line experience in a large organisation. It is envisaged that you will be around 30 years of age. Experience of computerised accounting and management information systems is essential. Flexibility to assist with other accounting functions and the ability to integrate into a small friendly team is of paramount importance. We will also be looking for evidence of well developed interpersonal skills.

Prospects are good, the remuneration package is highly rewarding with a salary around *the indicator shown, including bonus and profit share. Other benefits are equally* attractive as befits one of the Big '5'.

If you feel that you can contribute to this growing concern we would like to hear from you.

Candidates, male or female, should apply in confidence enclosing a full C.V. and quoting reference MCS/5035, to Barrie A. Whitaker, Executive Selection Division, Price Waterhouse, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Business Needs Experts.

SYSTEM AUDITOR CONTROLLER

£18,000 + car

Major Communications Group in W1 seek someone *under 35 with ambition to head small department,* reporting direct to the Group Controller. Work involves reviewing group systems and programmes and requires an in-depth knowledge of computerised systems. Ref AT/22

CHIEF ACCOUNTANT

£16,500 + car

Small West London tour operator. Reporting direct to the Managing Director of this dynamic company. Primary responsibilities will be budget control and management accounting. Age around 30. Ref AT/42

For further details, phone or write, quoting reference, to:

THE PERSONAL SERVICE
ACCOUNTANCY ASSOCIATES LIMITED
incorporating Accountancy Recruitment
5 VIGO STREET LONDON W1X 1AH TELEPHONE 01-439 3337 TELEX 27789

CORPORATE TREASURER

BROMLEY **c £17,000 + car**

An International Travel Group requires a Corporate Treasurer to be based at offices in Bromley. This is a new position and has arisen through the continued international expansion of the Group which specialises in providing holidays for young people.

Reporting to the Finance Director you will have full responsibility for the treasury function: particularly management of currency exposures, cash management and control of banking relationships.

Aged under 30 you will have a relevant degree and must possess 2 years' treasury experience in the corporate area. An accounting/systems background is desirable.

In addition to the attractive salary and Company car, benefits include BUPA membership and contributory pension scheme.

Please write in confidence giving full career details to:
Box A8978, Financial Times, 10 Cannon Street, London EC4P 4BY

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De Beers

Julian Ogilvie Thompson's Statement for 1984

At the end of 1984 Mr. H. F. Oppenheimer retired after 27 years as Chairman of De Beers, but will stay on the Board, and was succeeded by Julian Ogilvie Thompson. Nicholas Oppenheimer was appointed Deputy Chairman.

At the end of 1984, a few days after the 50th anniversary of his appointment as a director, Mr Harry Oppenheimer retired as Chairman of De Beers; he had held that office for 27 years. His father, Sir Ernest, whom he succeeded, had been a director for 31 years, all but three as Chairman. That constitutes a remarkable record of service from father and son to any company.

Essentially, the structure that Sir Ernest established half a century ago, to bring under unified control the producing and selling functions for rough diamonds, has remained unaltered to this day. Harry Oppenheimer adapted it as necessary to the demands of a changing world, and in doing so he further strengthened the Company's pivotal position as leader of the diamond business. The years of his chairmanship saw a prodigious growth in the activities of the Company, particularly in the size and diversity of the non-diamond assets which have played such an important part in enabling De Beers to provide the finance for bringing the industry through what Mr Oppenheimer has described as its worst depression in 50 years.

I know shareholders will want to join me in expressing our appreciation of Mr Oppenheimer's immense contribution to our affairs, and our pleasure that he has agreed to remain on the board.

Record diamond jewellery sales

Although retail sales of diamond jewellery set a new record in 1984, difficulties in the market for rough diamonds persisted. Measured in US Dollars, the currency in which rough diamonds are priced, sales by the CSO were only one per cent higher than in 1983, at US $1,613 million.

The year started encouragingly, with sales in the first half seven per cent up on the corresponding period of the previous year; sales in the second half fell back sharply, however, as trading conditions in the cutting centres became more difficult. For this there were three main reasons. First, the continued and substantial appreciation of the US Dollar against other currencies effectively increased diamond prices in the rest of the world. Secondly, in the light of the losses sustained in financing the diamond trade, the banks continued to rationalise their lending activities, thus accentuating the financial pressure on some manufacturers and dealers. Thirdly, at a critical juncture imports of polished diamonds into Antwerp temporarily increased, which because of the timing and price levels involved had disruptive effects in all the cutting centres.

CSO continued stabilisation

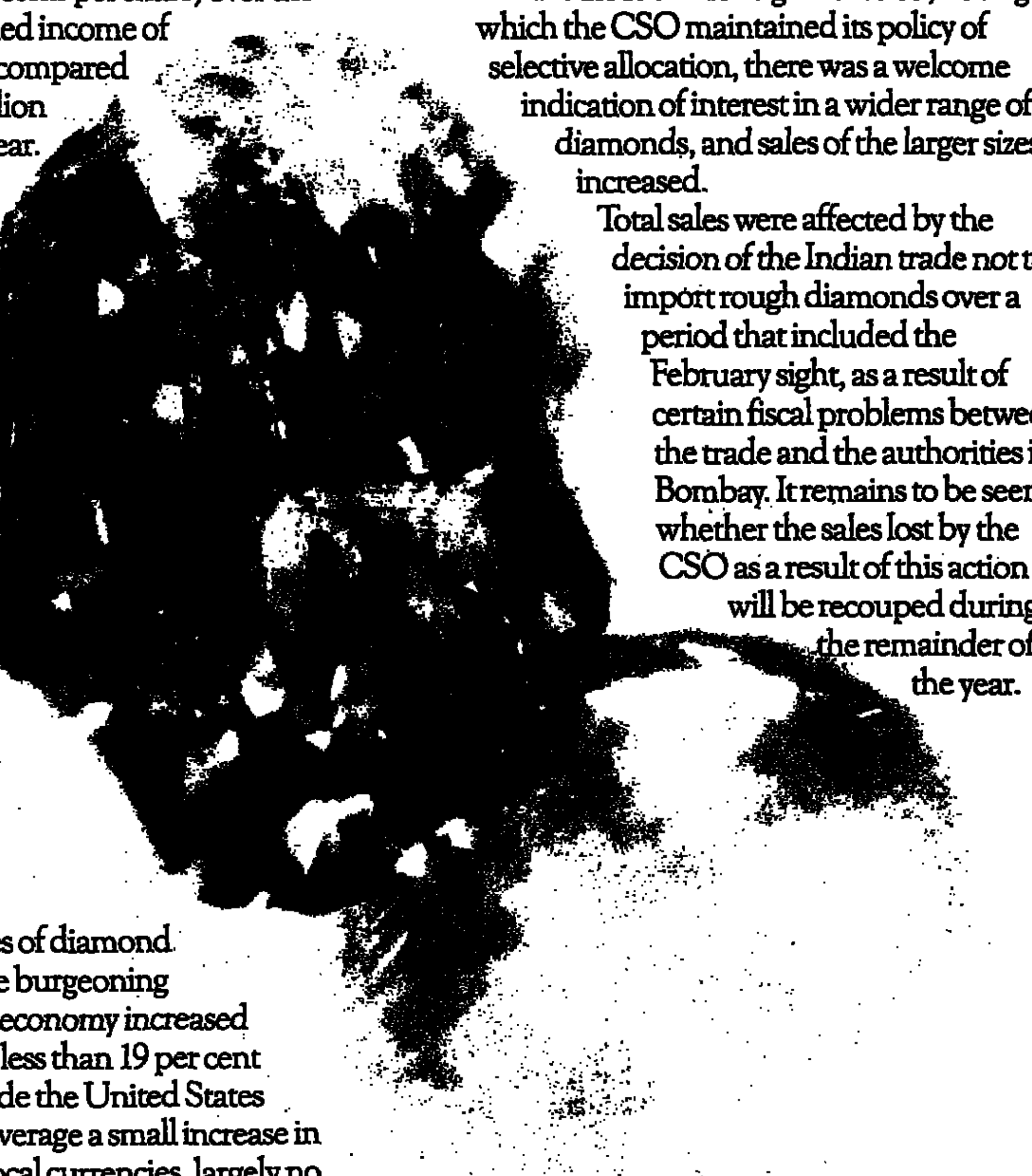
Accordingly the CSO continued its stabilisation policy by withholding from the market the larger sizes and better qualities of diamonds. Nevertheless, there was only a relatively small real increase of R191 million in Group stocks over the year.

In all the circumstances, I believe that De Beers' results last year were as satisfactory as could be expected. Net attributable profits, excluding our share of retained profits and extraordinary profits of associated companies, rose by eight per cent to R332.5 million, or 92.4 cents a share. Including our share of retained profits of associated companies, earnings increased by 28 per cent to R677.7 million or 188.4 cents a share. Our share of associated companies' extraordinary profits was R56.2 million, compared with R5.7 million in 1983. The dividend was maintained at 40 cents a share, absorbing R143.9 million.

Net current assets improved by R185 million to R282 million and the increase in long- and medium-term liabilities was R465 million, leaving a net apparent increase in funding of R280 million. However, this figure was less than the increase of R349 million which would have resulted from the application of the change in the Rand/Dollar exchange rate to such liabilities and assets brought forward from the previous year. Borrowings remain well within the total facilities available to our Group.

Demand for rough diamonds is broadening – retail diamond jewellery sales set a new record

Investments outside the diamond industry appreciated by R409 million to R3,687 million (1,024 cents per share) over the year, and yielded income of R183 million, compared with R162 million the previous year.



A fine quality oval cut diamond.

Retail sales of diamond jewellery in the burgeoning United States economy increased in value by no less than 19 per cent in 1984. Outside the United States there was on average a small increase in retail sales in local currencies, largely no doubt as a result of the slow rate of economic growth in the other developed countries and the effective increase in diamond prices to which I have referred. Overall more consumers acquired diamond jewellery than ever before and the increase in retail sales world-wide came to approximately six per cent in Dollars. It follows that sales of diamonds in jewellery once again substantially exceeded the corresponding value of rough diamonds sold to the cutting centres – as a consequence of the CSO's policy of withholding qualities not in demand – and brought about a further significant decline in the quantity of diamonds in the pipeline between the CSO and the ultimate consumer.

The large rise in our stocks in recent years, from US $936 million in 1980 to US $1,950 million in 1984 (converted at the rate of exchange at the end of each year) is of course the obverse of the reduction in the pipeline stock that our policies have brought about. We estimate that during those five years – in each of which, except for a small dip in 1982, retail diamond jewellery sales set a new world record – stocks in the cutting centres have fallen by nearly US $5 billion i.e. by five times as much as the rise in our own stocks. The low level of cutting centre stocks now prevailing is evidenced by the much more reasonable levels of bank finance outstanding. Stocks in the hands of jewellery manufacturers and retailers have likewise fallen significantly. Hence if the world economy continues to grow – and one hopes it may soon do so at a more balanced rate overall – the stage is well set for sales of rough diamonds to resume their rising trend.

At the first three sights in 1985, during which the CSO maintained its policy of selective allocation, there was a welcome indication of interest in a wider range of diamonds, and sales of the larger sizes increased.

Total sales were affected by the decision of the Indian trade not to import rough diamonds over a period that included the February sight, as a result of certain fiscal problems between the trade and the authorities in Bombay. It remains to be seen whether the sales lost by the CSO as a result of this action will be recouped during the remainder of the year.

The industrial side of our business had another good year. There was a pleasing improvement in sales of natural grit, but sales of drilling stones continued to be affected by the depression in minerals exploration. Sales of synthetic grit and polycrystalline diamond products, which had passed the US $100 million mark the previous year, rose by as much as 15 per cent, and there was further growth in the profitability of the Group's three diamond synthesis factories in South Africa, Ireland and Sweden, facilitated by new techniques developed at the Diamond Research Laboratory. We estimate that the market for synthetic and natural grit and drilling stones in the non-Communist world now absorbs about 150 million carats a year. The improvement in demand for industrial diamonds, other than drilling stones as yet, is particularly encouraging in view of the fact that the Argyle mine in Australia, which will be a big producer of industrial and drilling qualities, is due to come into full production at the end of this year. Plans for the marketing of the Argyle production are being developed and we have intensified our research into new uses of natural diamond grit.

Production from the De Beers mines and Debswana, which is owned in equal partnership with the Government of Botswana, rose by 1,987,000 carats to 23,337,000 carats in 1984. Debswana's production increased by 2,182,000 carats to 12,914,000 carats, owing principally to the contribution of the remarkable Jwaneng mine.

Group expenditure on prospecting and research was appreciably higher at R88 million, largely because of the depreciation of the Rand. Several kimberlite pipes were discovered but none was of economic significance. Work continues on the Venetia pipes in the northern Transvaal, in the hope that in time the relationship between prices and costs will improve sufficiently to make this a profitable mine.

Unified wage structure

It is now nearly six years since the Group achieved a unified wage structure on its mines in South Africa and SWA/Namibia, and our extensive training and development programmes for employees at all levels has enabled us to make further progress in implementing our policy of merit-based manning. We welcome the recruitment of unskilled and semi-skilled employees in our Namaqualand division by the National Union of Mineworkers whose negotiations with mine management for a recognition agreement are well advanced. This will broaden employee participation in the negotiation of wages and conditions of service, which is in line with our policy of favouring responsible union representation on our mines.

The Urban Foundation

We have maintained our contributions to the Chairman's Fund, which devotes a large part of its activities to improving the quality and extent of technical education; and to the Urban Foundation, which has facilitated a number of notable achievements in the socio-economic development of South Africa during the past year. We believe that through these institutions, and others, the Group continues to play its part in the creation of a fairer and more just society in South Africa.

At the last annual general meeting Mr Oppenheimer referred with deep regret to the death in April 1984 of Dr Louis Murray, in a flying accident. Dr Murray had been a director since 1975. For nearly 20 years he had been responsible for our world-wide exploration activities, and it was under his leadership that the major discoveries in Botswana were made. We miss him deeply as a valued colleague and a close friend. In November, Mr Alex Barbour, a director of the Diamond Trading Company, was appointed to our board.

The full Chairman's Statement is contained in the Annual Report of the Company for the year ended 31st December 1984 which was posted to registered Shareholders on 24th April 1985.

De Beers Consolidated Mines Limited
(Incorporated in the Republic of South Africa)

Head Office
36 Stockdale Street, Kimberley, South Africa.
London Office
40 Holborn Viaduct, London, EC1P 1AJ.

De Beers
The name that stands for diamonds

William Hall finds the UK clearing bank has a long way to go in North America

Barclays must win its spurs in the U.S.

BARCLAYS BANK has long been regarded as one of the world's better managed banks, so when its fast growing U.S. business announced a surprise £35m ($42m) operating loss, a couple of years ago, as a result of some ill-timed energy loans, eyebrows were raised in rival international banks.

Back at Barclays' Lombard Street headquarters, senior executives played down in public the importance of the losses which they said were due to a few customers feeling the effects of the downturn in the U.S. economy. Rival bankers were less charitable. Some noted that if Barclays' U.S. operations had been run as an independent American bank, Barclays U.S. would not have escaped so lightly. Look what happened at Continental Illinois, Seafirst and some of the Texas banks, they argued.

Barclays' relative exposure to the U.S. energy business was less than many U.S. banks, and being the subsidiary of one of the most profitable banks in the world, meant that there was no problem about who was going to pick up the tab. Nevertheless, the episode was an embarrassing reminder for Barclays, and foreign banks in general, that the U.S. banking market can be extremely fickle.

Mr Brian Pearse was brought in from the UK in early 1983 to take over from Mr Richard Carden, 47, who had headed Barclays' activities in North America for the previous five years. It was clear that Barclays intended to take a much tighter grip on its fast growing U.S. operations.

The 52-year-old Pearse, who had previously headed Barclays' important UK retail banking operations, was more senior than Carden and given considerably more power. Until his arrival, the ultimate responsibility for Barclays' North American operations had resided with a general manager in London. "I was the first general manager to come and live out here," says Pearse.

He admits that Barclays burnt its fingers on U.S. energy lending, but he also says it is important not to exaggerate the troubles he inherited. There were a handful of events which combined to push the group's *U.S. operations into the red in* 1982.

The most pressing problem was the group's rapid expansion into U.S. enery lending, which had produced some very big bad loans. Barclays had made the mistake of going down market into the production and drilling areas at a time when oil prices were soaring.

"We lost a lot of money and it took a while just to get over the shock of that," says Pearse.

"The first thing we did was to make sure that we had the hatches battened down on our lending," he adds, noting that Barclays had already abandoned its aggressive U.S. energy lending strategy by the time he arrived in early 1983.

The other immediate problem Barclays faced in North was a cost structure that had got out of line with the underlying growth of its business. The group's ambitious U.S. growth plans had led it to hire more staff than it needed.

Barclays' immediate response was to lay off around 150 staff, and another 100 jobs out of the group's more than 8,000 strong workforce also went. "We are not very proud about that, but we had it to do," says Pearse, who like most UK clearing bankers is unused to sacking people.

The final factor depressing the group's profitability lay with Barclays' American Corporation (BAC), the North Carolina finance company which operates roughly three-quarters of Barclays' 500 U.S. offices. Barclays was in the process of moving BAC slightly higher up the market, and this depressed its profitability.

Barclays has, in addition to other moves, worked hard to pull the disparate parts of its North American financial empire together.

Barclays has a sizeable retail banking operation in California and New York, as well as the consumer finance operation based in North Carolina and a commercial finance operation headquarters in Hartford, Connecticut. On top of this, Barclays Bank International—as it was called till it was merged into Barclays Bank—operates 16 wholesale banking offices across the continent. All told, Barclays operates over 500 offices throughout the U.S., and when Pearse arrived the various entities were tending to pull in opposite directions and not to talk to each other.

Part of the problem is that U.S. banking regulations force Barclays to maintain separate staffs and balance sheets for its various operations. However, Pearse is pulling the pieces together, and has made sure that each part of the North American group knows what the other parts are doing.

Pearse says: "If somebody said to me tomorrow that the laws have changed in America and you can do anything you like in the U.S., we would end up with one bank and one finance company. Even then there would be a little blurring at the edges."

Barclays' latest figures show that its U.S. business is beginning to respond to changes made. The group's U.S. operating profits more than tripled in 1984, to £60m.

The group's U.S. balance sheet has begun to grow again, after the traumatic events of 1982-83. It has recently opened new offices in Philadephia and New Jersey, and has its eye on a few more cities, such as Denver, Colorado. Barclays' American Corporation has joined the growing queue of banks seeking permission to open consumer banks in various states across the U.S., and recently announced an exclusive retail financing programme for the nationwide dealer network of White Consolidated, America's third biggest appliance manufacturer.

In New York, the bank's new 36-storey headquarters building at 75 Wall Street is nearing completion, a symbol of the group's renewed expansion plans in the U.S. But Brian Pearse admits that the easy part of Barclays' turnround in the U.S. has been completed. The next stage could prove far more difficult.

Even after the sharp jump in its U.S. profits last year, Barclays' U.S. operations are still far less profitable than *they should be*.

Barclays is looking for a 20 per cent return on its capital in the U.S., and while it will not reveal what sorts of returns it is currently making, it admits that they are short of its target.

At the moment, the bank probably has the most extensive foreign-owned banking operation in the U.S., doing everything from small-scale consumer lending from back-street offices to competing with the major corporate lenders for the business of the U.S. multinationals.

"At a time when it is being suggested that you need a *niche philosophy in the U.S. to* survive, we reckon we have, but we happen to offer the whole range of banking services," says Pearse. But he warns that the group might decide to withdraw from certain activities.

In common with the foreign banks which have flocked to the U.S. over the last few years, Barclays has been shocked to find that there is no longer much money to be made in the traditional on-balance sheet lending to the major U.S. household names. "We recognise that the possibility of making a living by lending money to these companies has gone," says Pearse. The commercial paper market has taken much of the business which used to be done by the banks.

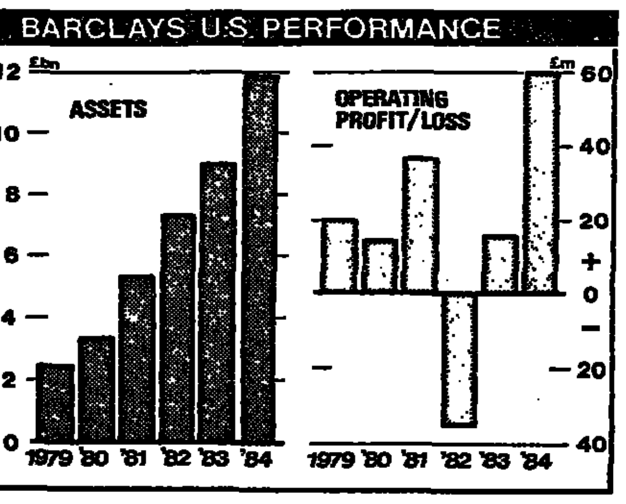
Barclays has advantage in being able to offer big corporate customers the use of its extensive overseas branch network, and its traditional skills in financing international trade are also bringing in new *customers*. But Pearse is under no illusions about the task he faces in building a customers base among U.S. multinationals.

At the other extreme, Barclays is also having to work hard to improve the returns on its retail banking operations in New York and California.

In common with the other *UK clearing banks, Barclays has* paid dearly to get into the U.S. banking market. Its investment to date probably totals over $1bn, and while its recent problems do not match those which confronted Midland Bank when its investment in Crocker National turned sour, it still has a long way to go.

If Barclays is to establish itself as a premier international bank which can compete on a par with the likes of Citibank and Morgan Guaranty, it has to win its spurs in the domestic U.S. banking market, where the gentlemanly rules of the British clearing banks do not apply.

BARCLAYS U.S. PERFORMANCE



Mr Brian Pearse, Barclays Bank's chief executive in North America: "I was the first general manager to come and live out here."

VONTOBEL EUROBONDINDIZES

WEIGHTED AVERAGE YIELDS
PER 23 APRIL 1985

	Today	INDEX Last week	% Year's High	Year's Low
US$ Eurobonds	11.01	11.25	11.87	10.85
DM (Foreign Bond Issues)	7.26	7.28	7.82	7.01
HLF (Bearer Notes)	7.46	7.41	7.89	6.83
Can$ Eurobonds	12.53	12.63	13.41	12.21

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THE ENTREPRENEUR

Roger Newton, Managing Director, Wold plc.

In December 1983, a syndicate of institutions led by Citicorp Venture Capital invested £3 million in Wold plc, a UK frozen vegetable processor. That was just three years after the industry had suffered a painful rationalisation, as massive expansion of production capacity outstripped market growth.

The company was originally formed as a farmers co-operative in 1966 and developed through vertical integration into a vegetable processing and freezing concern. In 1980, as a result of industry and company problems Roger Newton was appointed Managing Director.

Newton says, "We survived because we specialised in own label – as no one else did – and took the view that our strongest marketing aid was to have the best of production facilities and total control of agricultural supplies."

Using its own machinery, the company now drills, cultivates and harvests the majority of the raw vegetables it freezes.

By 1983, the company was not only back in profit, but poised for further expansion and seeking fresh risk capital. "As the British banking system is somewhat conservative," says Newton, "the logical place to look was the venture capitalists, of which Citicorp Venture Capital was probably the most successful."

Newton used the money raised by the Citicorp-led syndicate to increase sales flexibility, finance well-controlled buying and stocking policies, and for further technological innovation. Already a pioneer in computerised packing machinery, Wold now installed optronic processing control equipment, the first of its kind in Europe.

"Today the fresh frozen market is growing, and that growth is in own label," says Newton. Wold is growing with it and also by acquisition. In 1984 Wold acquired a national frozen distribution capability by purchasing a Smithfield wholesaler.

Now firmly in control of its own destinies – from the harrow, through the micro-chip, to the frozen food cabinet – Wold is prospering, and Citicorp Venture Capital continues to provide commercial and financial assistance.

Are you an entrepreneur? Here are some things you should know about Citicorp Venture Capital (CVC).

* Since starting up in the UK three years ago, we have invested in over 30 companies which now have a total annual turnover of over £350 million.

* We undertake three main types of venture capital financing:

"Replacement Capital" to buy-out existing shareholders and substitute a new capital structure. This includes management buy-outs; acquisitions and mergers; and making a public company private.

"Expansion Capital" to finance growing companies at an early, or accelerating period in their development.

"Start-up Capital." CVC particularly favours situations where an established, well balanced management team is in place from day one, and can demonstrate a successful track record in relevant areas, especially technology.

* We are planning to invest over £100 million in venture capital in Europe in the coming years.

* We look only for a minority equity holding, because we believe that the operating management should be motivated by substantial equity ownership.

* We are more interested in the future cash flow potential of a company than in "security." Our aim is to invest in companies which will become successful.

* Unlike more traditional sources of finance, we are attracted to a business by the management's abilities and its market potential, not purely by financial considerations.

* We are prepared to take a long term view of investments, and will help determine the exit route most suited to the requirements of the company: the USM, the sale-on of the company, a repeat buy-out of our equity by the management, or a full Stock Exchange listing.

* CVC's professional staff come from general management, technology, and manufacturing, as well as financial backgrounds. They are therefore able to understand the entrepreneur's business and investment needs, and can contribute continuing assistance and expert advice on the company's development.

* We have access to the international network of Citicorp, one of the world's largest financial institutions, with European venture capital offices in Paris, Frankfurt, Milan and London.

* For particularly large investments, we can assemble and lead a syndicate of investors.

If you need £250,000, or many millions of pounds, bring us your proposition. Contact Eric Cater, Charles Gonszor, Mike Smith, Frank Neale, Liz Hewitt, Brian Havill, Sandy Smart or Lorig Maranjian. We will give a quick response to your investment proposal.

Or, if you simply would like a copy of our brochure containing more information, just ask Citicorp Venture Capital, 335 Strand, London WC2R 1LS. Telephone 01-438 1593.

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GLOBAL INVESTMENT BANKING

Howe defends £240m funding to Community

BY IVOR OWEN, PARLIAMENTARY STAFF

SIR GEOFFREY HOWE, the Foreign Secretary, assured the House of Commons yesterday that the Government would not seek parliamentary approval for the £240m payment to the European Community, agreed earlier in the day in Luxembourg, until Britain's Ecu 1bn (£580m) abatement for 1984 had been guaranteed.

Defending the Government's decision to agree to the £240m payment, he emphasised that it was "substantially" below the figure originally suggested by the EEC Commission. Parliament would not be asked to approve the £240m until the EEC's 1985 budget and provision for the UK's abatement had been completed.

Mr George Foulkes, a Labour frontbench spokesman on European affairs, challenged the Foreign Secretary to explain how the Government could claim to have ensured that improved budgetary discipline would be observed by the EEC when the £240m was the third sum of similar order agreed by ministers within a period of 12 months.

He protested that the EEC would continue to spend more on the open-ended commitment to agriculture, while cutting back on the money provided for regional and social policies that would help Britain. He emphasised that of the 50 poorest regions in Europe, 21 were in the UK.

Sir Geoffrey replied that Mr Foulkes did not seem to appreciate that powerful arrangements for the achievement of budgetary discipline in the Community had been set in place and would come into force with the adoption of the proposals made to increase the Community's own resources.

He emphasised that, throughout the consideration given to the EEC budget for last year and again for this year, "all these measures are being taken closely into account."

Mr Eric Deakins, a Labour MP, who led demands for more opportunities for MPs to question the Foreign Secretary about EEC affairs, decribed the decision to pay the £240m as "outrageous."

Mr Teddy Taylor, a leading anti-marketeer on the government back benches, complained that despite the pledges and assurances obtained by the Government, the fact remained that the Community was spending £20m a day on dumping and destroying food surpluses and vastly overspending its agreed budget.

Mr Taylor insisted that it would be "crazy" for the Government to ask the House to approve giving an extra 25 per cent in real terms to the Community at a time when essential services at home were being cut back.

Sir Geoffrey refused to accept Mr Taylor's approach to the Community budget. But he agreed that it was important to maintain the pressure – which the Government had successfully maintained – for the establishment of effective budgetary discipline in the Community.

The Government had also made plain, he said, that implementation of the proposal to increase the Community's own resources would not be undertaken until all the components designed to achieve budgetary discipline were in place.

VEHICLE MAKERS ENDORSE 'PRUDENT MARKETING' POLICY

Japan to continue car curbs

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

JAPANESE car producers yesterday agreed to continue their voluntary restrictions on shipments to the UK.

Members of the Japanese Automobile Manufacturers Association (Jama) said they would continue "prudent marketing" in Britain.

Although no figures are mentioned formally, the UK Society of Motor Manufacturers and Traders assumes this means that the Japanese will, as in the past few years, restrict themselves to no more than 11 per cent of the British car market in 1985.

Japanese "prudence" also extends to the light commercial vehicle sector.

There has been some discussion about potential demand in the UK this year, with the Japanese taking a more optimistic view.

A joint communique issued after three days of talks held near Tokyo said the two industry organisations had agreed on an estimate that this year in the UK car sales would be between 1.72m and 1.77m and light commercial vehicle sales between 214,000 and 220,000.

The lower figures are the UK society's forecasts for the year, and the statement added that, in accordance with the "prudent" policy, Jama members would bear in mind, for the time being, the bottom end of the ranges in planning their shipments in 1985

Representatives of the two organisations are to meet again in the autumn to review the market and the presidents are set to meet in the spring next year. In this week's meeting Mr Takashi Ishihara, Jama president, and Mr Harry Hooper, his counterpart at the SMMT, led the discussions.

TUC will study pit union's cash needs

BY PHILIP BASSETT

THE TRADES Union Congress (TUC) decided yesterday by the narrowest of margins to reconsider quickly a decision not to give immediate financial help to the National Union of Mineworkers (NUM) with its operating costs after the year-long miners' strike.

Earlier this week the TUC's "inner cabinet," the finance and general purposes committee, decided by eight votes to two not to proceed immediately with the NUM's request for help to the value of £25,000 a week, but instead to ask Mr Norman Willis, TUC general secretary, to seek further talks with the union on its financial standing.

Yesterday, the TUC general council refused to endorse this line, voting instead by 18-17 to refer the decision back for re-examination by the committee, which is likely to hold an emergency meeting shortly to consider the position, and to which NUM leaders may be invited.

Left-wingers argued strongly that the TUC ought to support the NUM while its funds are still seized by High Court-appointed sequestrators and in the hands of the official receiver, because of the union's contempt of court.

Some on the left were arguing that the TUC's campaign fund of just over £300,000 should be used to help the NUM, although the fund was established to help unions specifically in difficulties with employment legislation, rather than the contract law on which the NUM was taken to court.

Others, however, urged greater caution, arguing that the legal complexities surrounding the money were unresolved, and that the TUC might be placing itself in jeopardy if it made over any money to the union.

Some right-wingers were questioning, too, the financial state of the NUM's constituent areas. The TUC is also unclear about what has happened to miners' union subscription income since the strike ended last month.

Mr Willis made it clear to the council that he would need to continue discussing the matter with the NUM.

Miners' strike takes huge toll in days lost

BY STUART JEFFRIES

BRITAIN lost a total of 26.1m working days as a result of the miners' strike, according to figures in the Department of Employment Gazette. That figure is almost equivalent to the total number of working days lost in all industries and services during the whole of 1984, which was 26.564m.

In the quarter to March 1985, the UK lost 4.573m days through strikes, including 4m in the coal industry.

Of the remaining lost days, 172,800 were a result of teachers' action for an improved pay offer and Scottish teachers striking for an independent pay review.

The impact of the miners' strike is further emphasised by the fact that March figures for industrial stoppages were almost a quarter less than those in February. Of the 496,000 estimated days lost in March, 300,000 came from various coal disputes, even though the strike over pit closures ended on March 4.

The UK "occupied a broadly middle-ranking position" in an international comparison of industrial stoppages in the decade to 1983.

Italy, Greece, Spain, Canada, Ireland and Australia suffered most from working days lost per employee, while the Netherlands, West Germany, Norway, Sweden and Japan suffered the least.

The large industrial dispute in the engineering industry in 1979 pushed up the UK's annual average to 500 days per thousand employees in the five years from 1979 to 1983. None the less, this average was exceeded by Italy, Greece, Spain, Ireland, Canada and Australia, but the UK could not compete with the averages of West Germany and Japan.

● The Banking, Insurance and Finance Union is to go ahead with a ballot on one-day strikes and an overtime ban in the English clearing banks even though the rival, non-TUC Clearing Bank Union has accepted an improved 6.5 per cent pay offer.

Barclays, National Westminster, Midland, Lloyds and Williams and Glyn's raised their offer to 160,000 clerical staff from 5.5 per cent after a sharp internal debate, with the bank chairmen closely involved.

Low pay blamed for unfilled Civil Service posts

BY SUE CAMERON

FRESH EVIDENCE of Whitehall's failure to attract adequate numbers of first-class recruits emerged yesterday with publication of the Civil Service Commission's annual report. Low pay is increasingly being blamed for the growing difficulties the Civil Service is facing in recruitment.

The report discloses that the number of Civil Service vacancies increased by more than 29 per cent last year – but job applications dropped by 2 per cent. Vacancies remained unfilled in almost every job category covered by the commission.

The report also shows that a significant number of high-calibre people who were offered posts turned them down – and many of them gave low Civil Service pay as the reason for doing so.

The Civil Service Commissioners admit: "We are apprehensive about the continued ability of the Civil Service to attract candidates of very high quality at a time of increasing competition from other employers.

"Our recruitment experience suggests that nowadays a smaller proportion of the most able undergraduates than in the past regard the Civil Service as an attractive form of employment."

The commissioners emphasise that there are several reasons for such a change of attitude on the part of able young people. They add that pay levels are clearly one factor. Other "important considerations" include promotion prospects, intrinsic interest of the job, its location and the standing of civil servants in the community.

The commissioners say they had "particularly serious difficulty in recruiting enough candidates of sufficient quality" for certain specialist posts including those for lawyers, engineers, statisticians and scientists. They add that it was not only specialist appointments that were extremely hard to fill.

"There is no doubt that in some problem areas there is a national shortage of those with the qualifications and experience we require," they say. "In such cases we are competing with other employers for a very limited pool of talent and the response to our recruitment schemes reflects the Civil Service's lack of attractiveness.

"In other cases our advertisements attract a reasonable field of applicants in terms of both quality and quantity but we find that our efforts are frustrated towards the end of the recruitment process as a result of a significant proportion of successful candidates – including, very often, some of the best – declining the offer of appointment.

"Our follow-up research reveals that candidates have a variety of reasons for rejecting an appointment in the Civil Service. In the case of a number of recruitment schemes, however, uncompetitive pay features as the most commonly given reason."

Comments such as that will be warmly welcomed by Civil Service trades unions looking for further ammunition to use against the Government in their fight for higher pay.

One area where 1984 proved a particularly difficult year for recruitment was the large executive officer category. The Civil Service last year had 4,098 executive-officer vacancies and 31,845 applications were received. Only 3,598 appointments were made.

Oftel chief calls for widening of telecommunications competition

BY ANDREW ARENDS

FINANCIAL TIMES
Communications in the UK
CONFERENCE

THE DEVELOPMENT of effective competition in the UK telecommunications industry is "of critical importance to consumer interests," according to Professor Bryan Carsberg, director general of Oftel, the industry's regulatory watchdog.

Speaking at the Financial Times conference "Communications in the UK – the challenge of choice," Professor Carsberg said that, if the present regulatory structure did not generate effective competition, it would have to be changed.

Professor Carsberg went on to say that, until competition became effective, his office would be required to control British Telecom's tariffs. He added that, if the new liberalised telecommunications regime in the UK was to be successful, "BT must have the self-confidence and sense of social responsibility to accept that competition must become a reality." He said that BT must accept that it should not always strive to obtain 100 per cent of every market in which it operates by sweeping smaller competitors aside and discouraging entry into the market.

Mr John King, marketing and corporate director of British Telecom, said that there were tremendous commercial pressures in favour of the liberalisation of other European telecommunications networks. Mr King said that the main obstacle holding back liberalisation was an absence of political will in some European countries but that in the long term change was inevitable. He said that Britain, as a pioneer in the game, had taken the risks and now faced the challenge of exploiting the opportunities that existed.

Mr King said that in the UK the providers of telecommunications networks would not only be competing vigorously but at the same time "interconnecting" with each other. He said that appropriate conditions for interconnection had to be established. These included both technical and commercial conditions that would "reflect a fair return on investment for the connecting parties."

In opening the conference, Mr **Brian Keyte**, deputy general manager of the Management Services of the National Westminster Bank, said that the establishment of BT and the liberalisation of the industry had sharpened the attitudes of those engaged in the communications business. This, he claimed, could only be to the long-term advantage of users of telecommunications facilities in the UK, as well as to manufacturers and suppliers.

Mr Gordon Owen, managing director of Mercury Communications, the private telecommunications network operator, said that his company could provide nearly every service offered by British Telecom.

He said that liberalisation in Britain had moved with commendable speed and cited the advantages to the consumer of greater competition – such as the high-speed data links and fibre optics that Mercury was trying to provide for its customers. But he called for a more simple regulatory system and said that it was crucial to avoid building "unnecessary regulations in a deregulated environment." He said BT had become more efficient since Mercury had made its presence felt and that was surely the benefit of competition.

Mr John Kelly, chairman of the Telecommunications Managers Association, said users of telecommunications systems had to be more vocal in telling the market about their requirements.

Mr Roger Camrass, director of telecommunications at Butler Cox & Systems, the management consultants, said that the convergence of telecommunications and computer systems, combined with the wider choice offered by liberalisation, would increase the importance of telecommunications within organisations and place heavy demands on management responsible for it.

Mr Ian Ash, director of Information Technology at Cooper & Lybrands, agreed that many organisations today felt a fundamental need to review their investments in forms of information technology.

Mr Roger Gilby, a member of the Systems and Communications Group at Lloyd's Corporation, spoke of how overseas competition and increasing costs were forcing an organisation such as Lloyd's to establish new networks of data processing and communications.

FT may take legal action over stoppages

By Our Labour Staff

THE MANAGEMENT of the Financial Times is considering legal action against individual printers in its machine room over alleged industrial disruption and sabotage – claims that are denied by union representatives.

Production problems caused the loss of 88,000 copies of yesterday's paper printed in London and 40,000 copies of Tuesday's. More than 600,000 copies have been lost this year, causing the loss of £250,000 in advertising revenue in the first quarter.

Apart from an overtime ban by members of the National Graphical Association (NGA), the difficulties have included repeated breaks in paper rolls and the breaking of printing plates.

In a memo to staff, Mr Frank Barlow, chief executive, attributed those to "nihilistic and destructive industrial action" by the NGA and Sogat '82 chapels. Union officials say there have been genuine difficulties with the quality of paper rolls.

Mr Barlow claimed that the trouble was linked to the failure of talks at Acas, the conciliation service, this week on the long-running issue of pay and manning in the machine room.

UK NEWS

Tebbit does not rule out single City supervisor

BY KEVIN BROWN, PARLIAMENTARY STAFF

THE GOVERNMENT has not ruled out the creation of a single, self-regulatory body to supervise the City of London, instead of the two boards envisaged in the White Paper (policy document) on financial services, Mr Norman Tebbit, the Trade and Industry Secretary, said yesterday.

Mr Tebbit told the House of Commons that he intended to legislate in the next session of parliament on the basis of the White Paper, which arose out of a report on investor protection by Prof Lawrence Gower.

He acknowledged criticism of the proposal that regulation should be split between a Securities and Investments Board (SIB) and a Marketing of Investments Board (MIB) and said the background to the proposal lay in advice received from the Governor of the Bank of England and a group of insurance and unit trust representatives.

A number of Conservative MPs criticised the role of the Governor of the Bank of England in the appointment of the chairman of the SIB.

Mr Tebbit said the Government's objectives in creating a supervisory body were to enable the financial services industry to operate efficiently, to stimulate innovation, to inspire confidence in investors and issuers, and to ensure that the system of regulation was flexible enough not to be overtaken by events.

The changes in the City of London that had occurred since 1983 – when the Restrictive Trade Practices Court case against the Stock Exchange was dropped by Mr Cecil Parkinson, the former Trade and Industry Secretary – had enhanced the position of the City as one of the primary financial centres of the world, he said.

He had decided not to uproot the system that had served the City so well, but to build on it, repair its faults and bring it up to date.

There was a long tradition of self-regulation in the City, but gaps were showing between the regulated areas as markets changed at a remarkable pace.

The bodies to which the Secretary of State devolved powers would be responsible for drawing up rules for the authorisation of investment business and the conduct of business along the lines laid down in the White Paper.

Mr Tebbit said he would have to be convinced the rules were adequate and would be effectively enforced before powers would be delegated.

The bodies involved would include both practitioners and users of financial services, as well as market regulators, so that the identification of rule-breaking and response to it would be rapid and flexible.

In response to a challenge over the role of the Governor of the Bank of England and his right of veto on the appointment of the chairman of the SIB, Mr Tebbit said there was a strong body of opinion in the City that favoured the involvement of professional opinion in the appointment of the chairman.

Mr Tebbit said it had been argued that the cost of regulation, which he stressed would fall on the users of financial markets, would make the UK a less competitive place in which to do business.

BID FOR MATTHEW BROWN REFERRED TO MONOPOLIES PANEL

Brakes on brewery takeover

BY CHARLES BATCHELOR

THE GOVERNMENT intervened yesterday in the £182m takeover bid battle for Matthew Brown, the Blackburn-based brewer, with a decision to refer Scottish & Newcastle Breweries' bid to the Monopolies and Mergers commission.

This is the second time within a year that S&N's ambitions to expand by taking over a regional brewer have fallen foul of a reference on monopolies grounds.

S&N abandoned an attempt to take over J. U. Cameron, a Hartlepool-based brewer, by means of a £44m agreed offer when its approach was referred to the commission last June. Neither Cameron nor S&N was prepared to await the outcome of the monopolies' review.

In contrast, S&N said yesterday that it intended to follow through the monopolies reference, although a decision on whether to renew its bid would be taken only when the commission's report is published in about seven months' time.

The decision by Mr Norman Tebbit, Trade and Industry Secretary, to refer the bid to the commission accorded with the advice given him by the Office of Fair Trading. It means that S&N's offer automatically lapses.

This is only the second time that a proposed merger between two brewers has been referred in monopolies grounds. The big beer mergers of the 1960s and 1970s went through without encountering monopolies objections.

Mr Alick Rankin, S&N's chief executive, said: "This is a bitter disappointment. When the Cameron deal was referred we felt it was our responsibility as directors to clear up totally what was permitted and what was not.

"We went to the Department of Trade and two other ministries and got clear-cut statements of their understanding. Armed with this we went off and did our planning. Then the emotion, the petitions and the distortions that our bid would lead to job losses started and all the finest intentions of government departments went up in smoke."

Matthew Brown's share price, which had fallen well below the level of the S&N offer over the past week, fell a further 20p to 365p yesterday while S&N eased 1p to 133p.

At yesterday's S&N share price its offer was worth 453p a share or £102m. That compared with a value of £88m when the bid was launched on March 18, although S&N subsequently added 405p cash to its offer of 14 of its own shares for every five Matthew Brown.

S&N is expected to ask the commission to look closely at the role of Whitbread, another leading brewer,

Gist-Brocades loses patents appeal

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A "LICENCE as of right," obtainable under the 1977 Patents Act, takes effect as soon as it is applied for, even though its terms, including the royalties to be paid to the patent owner, may not then have been agreed or settled, the Court of Appeal ruled yesterday.

The court also ruled that an application to fix the terms cannot be made until the start of a four-year extension of the patent provided for by the Act.

The rulings, the first of which runs contrary to a widespread assumption in the patent field, were made in a case that raised a novel and potentially urgent point of very general importance under the Patents Act, Sir John Donaldson, Master of the Rolls, said.

The court dismissed an appeal by Gist-Brocades, a Dutch drugs company, and its UK associate, Brocades (Great Britain), which wants to compete with the Beecham Group in the UK market for a bronchitis antibiotic during next winter's "bronchitis season."

Last month the Patent Court refused Gist-Brocades' claim for an order requiring the Comptroller General of Patents to settle at once the terms of a licence to market in the UK Amoxycillin, the patent of which is owned by Beecham.

Beecham's 16-year patent expires on August 19, but can be extended for a further four years, during which time licences as of right will be available.

The Comptroller decided that he had no power under the Act to settle the terms of a licence until after August 19.

Gist-Brocades argued that, as it took about a year to process an application, it was entitled to apply to have the terms settled in time for its licence to operate as soon as licences as of right became available.

Sir John Donaldson agreed that the Comptroller could not act until the beginning of the extension period. He rejected the view of both Gist-Brocades and Beecham, which had been accepted by the Patent Court, that a licence could not take effect until all the terms had been agreed or settled.

He pointed out that the Act provided for either the owner of the patent or the person requiring a licence to apply to the Comptroller for the terms to be settled. If the licence took effect only when the terms had been settled, there was no obvious reason why the owner should need to be able to invoke the Comptroller's assistance, he said.

ICL's new computer family sets seal on recovery plan

Jason Crisp reports on the new range of computers that ICL has produced in collaboration with Fujitsu of Japan.

ICL PUT the final and most important plank of its recovery programme into place yesterday with the launch of a family of powerful mainframe computers that significantly strengthen its existing range.

The new machines – known as Series 39 – will help the company to fend off the intense efforts of its competitors to persuade ICL customers to switch to their mainframe systems. Most organisations that are likely to buy a large computer are already committed to one manufacturer's system in which they have a substantial investment.

ICL's past financial difficulties and weaknesses in its product line have made the company's customers a favourite target for its main U.S. competitors. ICL is now stronger financially and was also taken over by Standard Telephones and Cables last year.

The new ICL computers are the product of a key technological collaboration with Fujitsu, one of the leading Japanese electronics groups, which has significantly cut the development costs. Although ICL has collaborative deals with other companies for technology and products, the link with Fujitsu is the most important because it has given it direct access to advanced microchip technology.

It meant that ICL could design the logic chips for its new computers using the latest microelectronic technology before it was generally available. Such a link put the company on a more equal footing with computer manufacturers, such as IBM, which have their own semiconductor production and technology.

The collaboration was also important because the Series 39 mainframes are critical to ICL's future. Although the company has been entering new markets such as private telephone exchanges, mainframe computers are still its core business.

The new machines, which cost from £150,000 to about £3m, join ICL's existing family of 2900 computers. An important point is that the new models use the same operating system (known as VME) as the 2900 series, which means they will also run the same software – something which computer manufacturers do not always do when they launch new machines.

The most powerful computer in the range – the new Series 39 Level 80 – is 25 times as powerful as the smallest. ICL says that is the widest range of machines from any manufacturer to use a single operating system.

ICL says that all this year's production of between 50 and 75 new machines has already been sold. Most of the initial production will be going to the UK, although ICL says it has sold one in France. They will also be sold in Australasia, Africa, Denmark, Germany, the Netherlands and Sweden. ICL has no immediate plans to try and sell them in the U.S.

Since its rescue in 1981, ICL has been concentrating on more specific markets where it has been traditionally strong, rather than trying to sell to everyone. Its main markets are public administrations such as local government, retailing, financial services other than banking, manufacturing and defence in the UK.

The launch of the new machines is later than originally promised although ICL was exceptional because it announced them as part of its recovery plan nearly four years ago. Most computer manufacturers are secretive about new products but ICL needed to convince doubting customers that it had credible plans for the future.

The new products were first announced by Mr Robb Wilmot, the energetic and youthful businessman brought in by the Government to revitalise ICL. Four years ago, ICL had plunged into deep financial crisis and had to be rescued by a reluctant and sceptical government with £220m in loan guarantees.

The price of the rescue was a new management team which immediately embarked on a much-needed and far-reaching shake-up of the company. The workforce of more than 30,000 was cut by 10,000 in a matter of months and a new product strategy was put in place involving a number of international alliances with companies such as Fujitsu, Mitel of Canada and Racal in Britain.

In addition, ICL has undergone a substantial management reorganisation intended to make the company more entrepreneurial and more market-oriented. Before the changes ICL had a reputation for being bureaucratic, slow-moving and, as the crisis grew, demoralised. Mr Peter Bonfield, managing director of ICL, said the company was driven by technology and not markets.

A key part of the reorganisation has been the creation of "business centres" which have their own profit-and-loss responsibility. These bring together under one team the responsibility for development and marketing strategy of a single product. The object of the centres is to speed up new product introduction and create a closer link between product development and marketing.

The most obvious product of the new centres has been the development of the "One Per Desk" (OPD) a combined personal computer and advanced telephone which costs significantly less than similar products from other companies. The OPD was launched last year as the result of close collaboration with Sinclair Research.

Anglo-Canadian venture plans cancer research

BY DAVID FISHLOCK, SCIENCE EDITOR

WELLCOME, the drugs group, and the Terry Fox Medical Research Foundation, a Canadian charity, are to build an £18m research centre near Vancouver, in an Anglo-Canadian joint venture to exploit interferon and other novel drugs from Wellcome's biotechnology research.

The company disclosed yesterday that it was seeking government approval for the use of its interferon to treat several diseases, including a rare form of cancer called hairy cell leukaemia, and genital warts.

The new research centre is the first of several similar ventures Wellcome is negotiating in Britain, Japan and the U.S., to develop medical biotechnology.

The idea is to bring biotechnology scientists in closer touch with the clinician who is treating patients with the products of new biotechnologies such as cell culture and genetic engineering.

The Canadian biomedical centre will be next to a new hospital, completed only five years ago, on the campus of the University of British Columbia.

Of the C$31m (£17.3m) available for the project, C$16m is allocated to the construction of laboratories and pilot fermentation facilities for a team of about 50 initially, and C$15m to run the centre for five years.

Mr Bill Castell, managing director of Wellcome Biotechnology, the subsidiary that negotiated the venture, said the laboratory would develop five new substances into treatments for patients.

The substances are the three primary forms of interferon – alpha, beta and gamma – prepared by Wellcome's cell culture techniques, together with genetically engineered forms of tumour necrosis factor (TNF) and lymphotoxin.

All five are expected to find a role in treating cancer – the main purpose of the laboratory – but they will probably be used in combination, and the regime will differ for each form of the disease.

Under its arrangements with the university, the centre will have access to some powerful research tools for exploring the progress of new treatments in patients.

They include one of the world's best-equipped centres for medical imaging, using the nuclear magnetic resonance (NMR) and other techniques.

The partners say they are seeking a director of international stature for the centre, and have set up a search committee of scientists headed by Sir William Henderson, president of the London Zoo and a director of Wellcome Biotechnology.

Arthur Sandles looks at the changing profile of Britain's travel industry

Rough weather for tour operators

SO ROUGH has play become in the UK travel business this year that casualties are being carried off early.

Even the mighty Great Universal Stores has had to ditch Global into the eager arms of Mr Harry Goodman's Intasun group with the sigh: "We could not compete effectively with major tour companies." It was with virtually the same words a few months ago that Granada folded its tour side, Sunburst.

Normally, however, it is necessary to wait for the autumn to count the wounded in tour operating. It is only then, as the summer bills start *pouring in, that the blood-letting* shows.

This year the wounds are very much deeper. Some of the top 10 tour companies are said to be showing booking levels half as good as they were a year ago, while many of the smaller companies had an extremely difficult time getting through their annual licensing procedures with the Civil Aviation Authority.

When the deal is completed in November of this year, Intasun Leisure should emerge as roughly equal in size to Thomson. The performance of both groups in their respective market places will decide which actually is the champion.

Watching that performance is going to be something of a travel industry spectacular, since the two could hardly be more different in their corporate approach to the present difficulties in the business, and to their own growth.

Intasun is a loosely knit conglomerate of free-standing operations. Thomson Travel is three firmly linked divisions – airline, hotels and tour operating. Intasun has diversified by acquisition, Thomson by organic development. Most significant of all, this year Intasun has placed its trust in an explosive late demand for holidays, while Thomson has cut capacity to preserve margins in a sluggish market.

Over the past three years, the battle between these two groups has enlivened the travel business and bruised any who stood in the same ring. Horizon, the No 3 for the moment, has suffered particularly *in having to match offer* and counter-offer from the two giants. Cosmos, the secretive and privately owned group which, like Intasun, operates out of the south London suburb of Bromley, is emerging from a night of the long knives in its boardroom.

Factors that have helped to provoke those problems include price-cutting by Thomson and Intasun and the sudden collapse of the package tour market from Britain to Spain. It is the reality, or otherwise, of that collapse that is going to sort the men from the boys this year.

Two companies have decided that the market is going to recover – Intasun and the British Airways subsidiary, Enterprise. Most of the others, notably Cosmos, Thomson, and Blue Sky (the British Caledonian tour offshoot) appear to think that things will stay bad, at least if their consolidations pattern is any indication.

Consolidations in tour operating terms means cancellation. You cancel half-sold flights and "consolidate" them on to others. If you have many flights to some destinations, as all the majors do, you hope that the customer has not noticed that his departure is now a few hours different from what he was told originally.

If you are a smaller company, or if the bookings are in early or late season when you have fewer flights, the customers do notice and frequently complain.

Intasun has been reluctant to cut its capacity for the coming season. *In theory, that exposes it to punish*ing costs if the bookings fail to arrive in late April and early May. Thomson, having cut back, is much more able to restrict its downside risk.

In practice, Intasun has negotiated a much-envied flying contract with the British Airways charter subsidiary, Airtours. The details are *secret but they are thought to give* Intasun greater flexibility than is normal.

So tempting was the British Airways offer that Intasun sold part of its own airline fleet – a deal that led to complaints about unfair competition by the state-owned carrier from Thomson and Horizon.

If Intasun is doing so well with its basic tour operating, why should it want to buy Global, an apparently ailing rival?

Intasun strategy has been to buy self-contained operations in sectors it wishes to enter. It has done so with the youth market (Club 18–30), budget holidays (Lancaster) and school ski holidays (Schoolplan).

Mr Goodman, head of Intasun, is at present backing a former Rank director, Mr Peter Drew, in a new venture. *"What Harry likes to do is* give people a job with terrible pay and wonderful share options," an industry observer said. "If you are a success, you become rich. If you fail, you are broke and out. You need courage and confidence to take it on."

An Intasun director denied that that was the case. "We pay the industry rate," he said. "But it is true that our managers get very good incentives."

The deal with Global takes Intasun into the coach tour business and the booming incoming travel market. The price will depend on Global's performance this summer and might, therefore, be anything between £3m and £6m.

Once one of Britain's biggest tour companies, Global has seen its share of the massmarket to the Mediterranean has shrunk in recent years. At the moment it is thought to hold about 2 per cent of the total business compared with Intasun's 15 per cent and market leader Thomson's share of more than 20 per cent.

However, Global is one of Britain's biggest coach tour operators, not only taking Britons on trips into Europe but also bringing Australians, New Zealanders and some Americans into the UK and on to continental tours.

Gold Mining Companies administered by the

Johannesburg Mining and Finance Corporation Group

All companies are incorporated in the Republic of South Africa

Reports for the quarter ended 31 March 1985

Egoli Consolidated Mines Limited Group

Issued share capital: 200 000 00 shares of 50 cents each fully paid

Group totals	Quarter ended 31 March 1985	Quarter ended 31 December 1984	Year ended 31 March 1985
Operating results			
Tons treated	144 161	214 235	814 124
Yield g/t	0,66	0,78	0 70
Production – kg	95,65	166 94	573 22
Cost R/ton treated	R10,58	R12 73	R11 00
Cost R/kg produced	R15 948	R16 345	R15 623
Average gold price received (R/kg)	R19 956	R20 104	R18 119
Financial results	R	R	R
Revenue from gold production (including R1 257 047 other operating revenue, ore and sand sales in the quarter ended 30 June 1984)	1 908 792	3 356 208	11 643 451
Less Working costs	1 525 441	2 728 675	8 955 165
	383 351*	627 533	2 688 286
Add Other net income/(expenditure) (includes income resulting from the rationalisation of the West Rand Operations)	4 670 585	(220 079)	4 046 206
Net income before taxation	5 053 936	407 454	6 734 492
Taxation	3 265	3 587	12 691
Net income after taxation	5 050 671	403 867	6 721 801
Capital expenditure/(recoupment) – mining	(7 265 544)	634 613	(5 358 729)
– other	12 860	6 724	38 524
*The reduction in working profit for the current quarter is accounted for by the disposal of the West Rand Sand Treatment Operations to West Witwatersrand Gold Mines Limited. However, this figure takes no account of attributable income in respect of West Witwatersrand Gold Mines Limited amounting to –	417 278	161 998†	660 006

†Adjusted in terms of the West Rand Rationalisation scheme.

Operating results by company

Johannesburg Mineral Corporation Limited

Tons treated	100 014	174 275	635 439
Yield g/t	0,62	0 74	0.69
Production – kg	61,95	129 75	439 19
Cost R/ton treated	R10,13	R12 19	R10 32
Cost R/kg produced	R16 353	R16 373	R14 933
Average gold price received (R/kg)	R20 158	R19 987	R17 994
Capital expenditure/(recoupment)	(R7 852 541)	R17 800	(R7 386 209)

The results above reflect the sale of the Egoli West Reduction Plant to West Witwatersrand Gold Mines Limited as at 17 February 1985.

Springs Dagga Gold Mines Limited

Tons treated	44 147	39 960	134 658
Yield g/t	0,76	0 93	0.85
Production – kg	33,70	37 19	114,43
Revenue (R/ton treated)	R14,95	R19 42	R16,20
Cost (R/ton treated)	R11,61	R15 30	R14 93
Working profit (R/ton treated)	R3,34	R4 12	R1,27
Average gold price received (R/kg)	R19 595	R20 863	R19 073
Cost (R/kg produced)	R15 203	R16 436	R17 568
Working profit (R/kg produced)	R4 392	R4 427	R1 505
Capital expenditure	R586 997	R616 813	R2 027 540

Current operations

Underground stoping trials continue with the aim of establishing the optimum mining method to exploit the Kimberley Reef. While the production rate was below expectations, the reasons have been identified and steps are in hand to improve productivity.

New mine project

Agreements in principle have recently been reached in regard to the injection of R 41 million for a new mine within the very large mining area (over 11 000 claims) held by the company. Shareholders will be given the relevant details very shortly.

Mariner Mining Corporation Limited

Tons treated	—	—	43 997
Yield g/t	—	—	0.46
Production – kg	—	—	19.60
Cost R/ton treated	—	—	R8.94
Cost R/kg produced	—	—	R20 075
Average gold price received (R/kg)	—	—	R15 376
Capital expenditure (R)	—	—	R349 376

As announced to shareholders on 13 August 1984 the operations of the Nigel treatment plant were suspended at the beginning of that quarter.

For and on behalf of the boards
Investments and technical Management Limited

Secretary
per **D. T. J. Lonsdale**

25 April 1985

A1812

The Republic of Italy

U.S.$ 500,000,000

Floating Rate Notes due 2005

In accordance with the provisions of the Notes, notice is hereby given that for the initial Interest Period from 24 April, 1985 to 24 May, 1985 the Notes will carry an interest rate of 8$\frac{7}{16}$% per annum. The interest payable on the relevant interest payment date, 24 May, 1985 will be US$70.31 per US$10,000 nominal amount and will be paid only through Cedel SA and Morgan Guaranty Trust Company of New York, Brussels Office, as operator of the Euroclear System, in accordance with the terms of the Temporary Global Note.

24 April, 1985.
THE CHASE MANHATTAN BANK, N.A.
LONDON, AGENT BANK.

CHASE

145

THE ARTS

Juliet Stevenson . . . the promise of a great Rosalind

As You Like It/Stratford-upon-Avon

Martin Hoyle

A fine spring evening and Shakespeare's birthday should have combined for something special on St. George's Day in the RSC's 25th anniversary season, excitingly marked, among other things, by the opening of a gallery of Shakespeariana and the steady hatching of the Swan. In the event Adrian Noble's *As You Like It* produced a fine clown, uneasy comedy, a number of tricks that hardly hung together, and the promise of a great Rosalind.

A promise only; perhaps because the emotional mood is curiously leaden, and Juliet Stevenson's warmth and common sense operate in a vacuum. Much of the humour is physical, indeed almost mechanical, which suits Nicky Henson's vigorous Touchstone (who falls in real water twice, no less), but leave subtler performers like Fiona Shaw working like mad to make their predictable points funny.

We met Hilton McRae's Scots-accented Orlando in muddy modern working-clothes, Celia and Rosalind in recent evening-gowns the latter's glitter top and side-swept hair style are singularly unbecoming). The ducal court is swathed in dust-sheets which conceal not merely furniture but Touchstone, complete with inseparable umbrella, in tails and clownish whiteface.

Miss Shaw's Celia unsteadily clutches Champagne, cheers her cousin a trifle sharply and is miffed by the obvious attraction between Rosalind and the young wrestler. In the production's one example of clear character development, she blossoms in rural exile, relaxing in the forest sunshine when not mugging or—she must beware of this—coming over as a Penelope Keith clone.

Chief culprit is Mr Noble, who displays no consistent approach to the play, and no overall vision beyond trying out a number of gimmicky ideas, not all of which come off.

The white groundsheet dominates Bob Crowley's set. The fugitives trail it behind them until it covers the stage, creating a snowy Arden where the exiled court shivers in ragged evening clothes. Orlando attaches his poems to a double strand of cable that rises to draw the white sheet into a palanquin of cascading fabric which hides, binds or clothes the characters. The floor is now green; birdsong and rushing water effects labour the point that spring is here; and about time, too.

The cloth becomes the billowing roof of a tented pavilion for the final unravelling of the knot, a near-ritual of loving resolution that never fails to move. In the meantime Alan Rickman's intelligent, sardonic—even faintly threatening—Jaques has impressed; though the seven ages of man are milked, mimicked, mimed and generally pulled about for effect. Other oddities include the apparent pursuit and shooting of Celia by the huntsmen though she emerges unscathed a few minutes later. Dream sequences are always a cheat, and here an irrelevance.

Ms Stevenson's long-awaited Rosalind can touch the heart with "Men have died from time to time, and worms have eaten them; but not for love." Her vigorous mock-wooing, in baggy white trousers and red braces, with Orlando is overtly feminine (no ambivalence or puzzled undertones here). Her delighted shout of "love is merely a madness!" before she remembers her boy's role and corrects herself typifies her boundless energy, even if as yet it is expended on externals.

Phebe's vamping of this Ganymede is over-obvious and her Silvius is more a Petticoat Lane spiv than a rustic. By the play's conclusion the initially spirited Orlando—after a wrestling match that would not disgrace the telly screen—has dwindled into unsubtle boyishness without depth. With all the intelligence and resources at hand, the hit-or-miss result of this unfocused production is doubly disappointing.

Royal Academy/Roy Strong

Cats, parrots and Lear

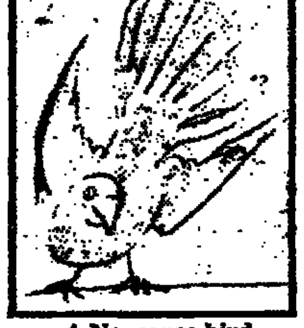
I am not sure I would have liked Mr Lear (Tennyson didn't, in the end) except if I had been either a child or beloved Foss. The latter ranks high in my list of famous cats—"il mio buon gatto Foss," as Lear described him on his tombstone; writing at the same time to a friend that the cat had been with him for 30 years when, in fact, he had died at 14. Poor Foss had had his tail chopped off by an Italian servant who believed that a cat would never stray from a house in which he had left his tail.

In the exhibition on Lear at the Royal Academy (until July 14), this stripey cat pops up everywhere in the artist's self-cartoons of himself; and, of course, he stalks in a Nonsense alphabet above one of my favourite couplets: "C was a lovely Pussy Cat, its eyes were large and pale: And on its back it had some stripes, and several on his tail."

From this Nonsense image of Foss streams down a host of comical cats from Tom Kitten to Orlando, the famous Marmalade Cat. The section of the exhibition devoted to Lear's Nonsense is an explosion of delight and learning, but we are never given any signposts as to where this repertory of extraordinary animals and people came from. What, in short, were Lear's sources? Looking at these weird inventions one thinks perhaps of a debt to Gillray. The dotty travel cartoons recall Rowlandson and Dr Syntax and there must be a debt also to the fantasy literature of the *biedermeier* period. There it all is: the owl and the pussycat, the Calico Pie, the jumblies, the endless limericks—but no clues to its origin.

I found that irritating in what is billed as a major reassessment of the man, a biographical exhibition of the kind that used to be staged at the National Portrait Gallery up until a decade ago; it is directly in line with their Pepys, Richard III and Sir Thomas More. Indeed, the decision to stage the exhibition in biographical, as against art historical, terms accounts both for its fascination and for a certain confusion as to purpose. On reflection, I don't think that could have been avoided given the nature of the beast. Lear was the 20th child of a family of 21, an epileptic who suffered from asthma and bronchitis. He also was short-sighted. He emerges as a maddening character whose abilities were as uneven as his talents were diverse.

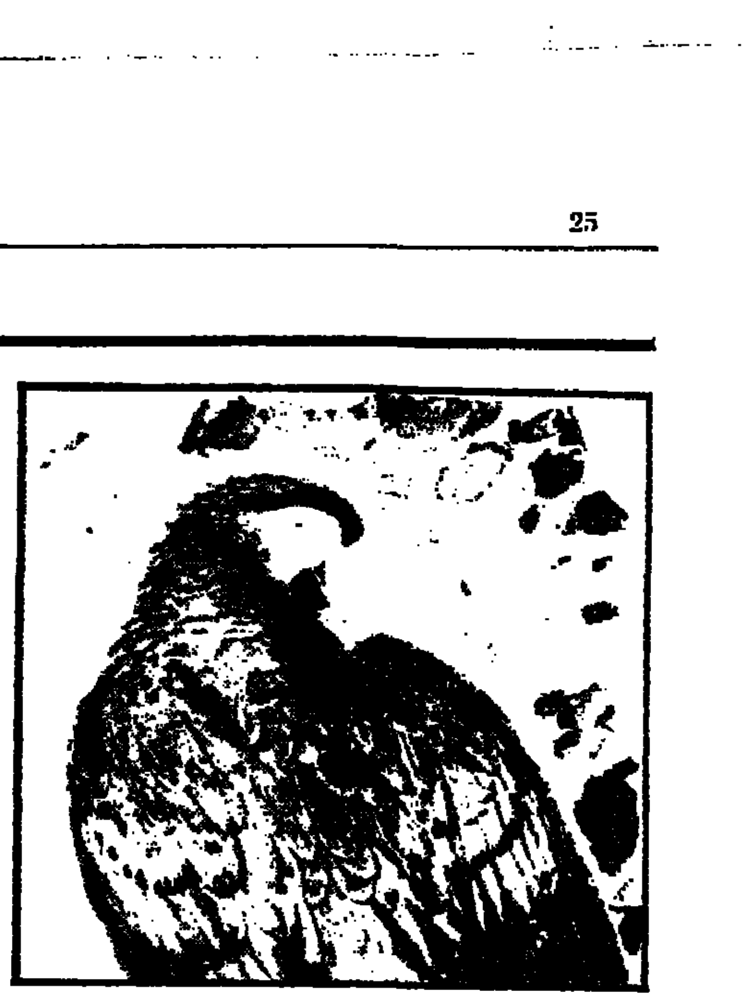
There is no denying that he would have purred with delight at the notion of an exhibition at the RA devoted to his painting, for he felt himself spurned by the establishment. And yet, we must ask: does he warrant it? Certainly, little can be said in favour of what he called his Tyrants, terrifying mass-produced watercolours produced along factory lines. Nor, on the whole, is there much of a case to be made for his paintings, for there is an awful dullness to them. Early Victorian travel photographs are far more exciting than these deary surfaces. No, the vindication comes abundantly with two groups of work, one better and a second far less well known.



A Nonsense bird

The latter are the simply astounding ornithological illustrations for *Illustrations of the Family of Psitticadae, or Parrots*. Lear was only in his 19th year when he executived these brilliant studies of birds, not from stuffed specimens as was usual but from the real thing. These are the work of a self-taught artist whose natural fluency with pencil, pen and brush was truly remarkable at such an age. They form quite one of the most startling sequences in the exhibition, revealing powers of concentrated accurate observation and talents as a vibrant colourist. In terms of an artist, Lear abundantly deserves estimation for these bird studies alone.

At the same time, they pinpoint Lear's weakness: the lack of any formal training. In an age dominated by the Academy schools, he was to feel that lack progressively more sharply as he grew older. All those studies from plaster casts and the nude model were vital grounding and their absence circumscribed his art, for he was never happy with the human figure which only appears in his works as an indication of scale. That may, incidentally, account for why the human figure, distorted in every direction, is so central to his Nonsense imagery.



"Red and Yellow Macaw"—a Lear watercolour

The second group is the studies he kept in his studio from which he produced his finished watercolours, oil paintings and Tyrants. These were not known until the 1920s and since have had a huge influence on the watercolour tradition in its more academic form. Looking at their technique, one thinks immediately of John Piper and John Ward. They breathe an assurance and rapidity in the best controlled sense, a light underdrawing in pencil, washes of colour almost sponged over it evoking sunshine and shade and mood, with the final structure overlaid in pen and sepia. These take us everywhere: to Greece, Crete, Turkey, Sinai, India, Albania, Lebanon, Egypt, Malta and Corsica.

But if one has to measure the man's achievement, it must be admitted that it is the Nonsense literature which earns him the highest place within the pantheon. *A Book of Nonsense* ran into 16 editons in his lifetime and has never been out of print since. Minus this, Lear can be accorded only an honourable if minor place within the long topographical tradition of the British watercolour school.

Il ritorno di Casanova/Geneva

Andrew Clark

No one likes to write off a new, large-scale composition after a single hearing, but *Il ritorno di Casanova* by the Sicilian composer, Girolamo Arrigo, offers a sore temptation. Commissioned by Radio France to write a new opera, Arrigo has put together an artful edifice that seems to have little real substance. It was premiered at the Grand Théâtre in Geneva and will be heard again next March in Paris.

Casanova, based on an early-20th century novel by the Viennese author, Arthur Schnitzler, charts the return to Venice, after a long exile, of the legendary 18th century womaniser who in later life was forced to spy on and even kill his successors and competitors from the younger generation in order to make new conquests and save his own skin. This portrait of decadence and bitterness—contrasting the freshness of youth with the irreversible onset of old age—offers scope for wit and pathos, and is good material for an opera. The libretto has been expertly fashioned by the Italian writer, Giuseppe di Leva. But Arrigo's score is bland, lightweight and derivative, the kind of tame advertisement contemporary opera can do without.

The compositional style in *Casanova* pays homage to Italian lyricism and traditional Italian operatic structures, including aria-monologues, duets and unaccompanied ensembles. The writing for voice is technically accomplished and the part-writing shows considerable finesse. But Arrigo's own musical language seems a dextrous merging of styles from other periods into an anonymous quasi-modern melting pot: a snatch of 17th-century litany here, the occasional Donizettian trill there, touches of neo-classical rhythm and light neo-Romantic harmonic textures, and a banal orchestral accompaniment of which Spontini would have been proud.

Nor can Arrigo be regarded as displaying a talent for theatre. Although the musical linking of scenes in each of the two acts brings welcome continuity, there is little attempt to differentiate mood, character and colour, and he has failed to find a satisfactory musical metaphor for the erotic element. The scenes that communicated most were those in which the action stopped and characters were left to think aloud.

Cast and stage director face an uphill struggle trying to hold an audience's attention through the remaining two-and-a-quarter hours of music. Jorge Lavelli, who began his career in the lyric theatre by staging Arrigo's *Orden* for Avignon in 1969, showed ingenuity and imagination in animating each scene, aided by Agostini Pace's stylish and versatile representational decor and by experienced singers like Jules Bastin and Ezio di Cesare in character parts. The stage presence and tonal richness of the two female principals—*Fiorella Pedicioni* in the soprano role of Marcolina and the American mezzo, Katherine Ciesinski, as Casanova's ageing cast-off Amelia—were also major assets.

The title role ideally requires the visual magnetism and vocal weight of a Ruggero Raimondi. Scott Reeve, making his European debut, looked and sounded too young for the part. Stage and pit were well co-ordinated by Reynald Giovaninetti; but with such an apologetic orchestral score, nobody could complain of being overstretched.

SNO/Barbican

Richard Fairman

There was a rarity at the heart of this programme. The Scottish National Orchestra does not visit London often and it was a double pleasure to welcome it for its Barbican concert on Tuesday with a piece as infrequently heard as Dvořák's *Ten biblical songs*. Some of these do surface from time to time outside recitals; but the full set is a rare visitor indeed, either on record or in the concert hall.

It may be because Dvořák orchestrated only the first five songs himself. Yet the arrangement of the rest, made by Zemánek, is just as effective, drawing on the same antiphony of pious woodwind and mellow strings that Dvořák uses in his own treatment. The result is something of a surprise: instead of the chaste simplicity of the piano-accompanied songs we get moods, colours and latent passion. But whether the 10 orchestral songs make a satisfying concert cycle is another question.

This performance certainly uncovered some problems. The music lies very low in the voice and the soloist, Birgit Finnilä, recognised for the richness of her deep mezzo, was not always able to dominate the orchestra or make the words audible. (She sang in a German translation). Only when the scoring was light — as in the lovely setting of "The Lord is my Shepherd" — was her rapt, dignified singing able to grip the attention as it should.

Neeme Järvi and the SNO could have helped her with less volume. But otherwise these were fully recommendable performances, both in the richness of the textures and a freedom of feeling that we do not usually hear from these songs in recitals. If only so many of them were not slow and pensive. The full set of 10, after all, seemed too much of a good thing. Next time, a selection might be better.

In Haydn's Symphony No 95 and Beethoven's Seventh Symphony, as in the Dvořák, the playing was forthright and confident. Like many another conductor from the Soviet Union, Järvi favours strong, muscular performances with brass to the fore and broad strokes of interpretation. The Haydn lacked point and detail; but the Beethoven was more than reliable, its finale with much brio making a rousing end to the evening.

New musical for Stephanie Lawrence

Stephanie Lawrence will star as Marion in a new musical, *Sherwood*, which opens at the Dominion Theatre on July 1 for a nine-week season.

Sherwood, based on the legend of Robin Hood, has music and lyrics by Bobby Crush and is directed by Clive Hicks-Jenkins. The show will open on May 15 at the Hippodrome, Bristol, for three weeks.

Duke Ellington anniversary concert

This year's Duke Ellington anniversary concert takes place next Saturday, April 27, at the Queen Elizabeth Hall starting at 7.45 pm. The featured band is the Midnite Follies Orchestra, directed by Alan Cohen and Keith Nicols. Additionally, singer Adelaide Hall, who recorded with the Ellington band in 1927, will also appear.

Alceste/Paris Opéra

Max Loppert

In the recent world-wide improvement in the fortunes of the Gluck operas, it is *Alceste* that appears to have benefited most: since the unforgettable Janet Baker farewell production at Covent Garden in 1981, there have been a string of *Alcestes* across the operatic globe. The latest has come to the Paris Opéra (in a staging first given last season at Geneva); and last Saturday's experience of it gave cause for gratification on several grounds.

There is always a special thrill to be had from the revival of a work of artistic and historical significance by the company for which it was first produced—and, even though the Opéra of 1985 is (of course) not the same building as that of 1776, it is not mere sentimentality that attached particular note to the occasion. For there was more to the work's return to Paris than documentary importance: the performance itself, by no means ideal, was at least of the right kind, and the capacity audience, having concentrated with a quite un-Parisian intentness on the long work all the way through, cheered its collective head off at the end.

In a sense the renewed interest in the Paris *Alceste* above all other Gluck operas (except, of course, for *Orpheus*) is itself a phenomenon. For it ihas to be admitted that both versions of it—the Viennese original of 1767 and the radical Paris overhaul of 1776—are the most difficult of all his mature music-dramas to bring off successfully. In their different ways, both Alcestes must be deemed magnificent artistic conceptions imperfectly achieved and finished—noble and elevating but essentially static in subject; awkward of resolution; fashioned with sublime musical simplicity that can turn to meer plainness when its immense demands—above all on heroine and conductor—are not being heard to be met.

Berlioz was exaggerating, however, when he insisted that "to play Gluck heroines it is not enough to have genuine talent . . . nothing less than beauty and genius will do." Exaggerating, because in the history of Gluck performances it has been shown, and by more than one critic noted, that when a singer commands the stature and soul of the part—commands, indeed, the moral force and fire inseparable from any meaningful approach to the Gluckian operatic ideal — then the presence of vocal inequalities will not always prove a barrier to greatness.

Chorley was eloquent on the way Pauline Viardot managed, as Orpheus, to turn unevenness, harshness and feebleness of tone into "a rare felicity;" in our day, Callas's late performances of Alcestis's "Divinités du Styx" were described in similar fashion. Shirley Verrett, the Paris Alcestis, has taken on the role late in her career, when vocal wear, above all on the all-important middle register, is plain to hear. Yet it soon became clear that Miss Verrett has the stuff of a Gluck heroine in her. She was wonderful to look at: nobly dressed (by producer-designer Pier Luigi Pizzi) in a flowing royal blue robe, always dignified and tender in her bearing, the large eyes and the elegant frame drawn to a pitch of unemphatic expressiveness.

And in her singing Miss Verrett possessed the art of turning frailty to account. At the start of "Ah! malgré moi" the line had a hole in its centre, which afforded a catch-in-the-throat effect, and invited the same sensation in the audience. Ideally, Gluck's sopranos should sing even the most exigent notes with smooth, beautiful tone; but Miss Verrett suggested smoothness and beauty even when she failed to produce it, and what she did produce—the meaning of the music— counted for much in compensation.

The performance created, as a whole, a worthy frame for its heroine. Pizzi's familiar "architectural" manner — formal stage structures in cool white stone, bright-coloured costumes — lends both shape and emotional potency to Gluck; he keeps the chorus sitting on his amphitheatre steps without threatening the production with the usual dreaded Gluck-as-oratorio consequence. Though the conductor, Mikael Schonwandt, had not yet secured firm ensemble, his concern to keep the music fluent, warm, and emotionally telling made one tolerant of imprecisions (and the native accent of chorus and orchestra was very much the right one). The American tenor, Barry McCauley, has the freedom and weight for Admetus, not yet sufficient maturity of style; Jean-Philippe Lafont (Priest), Mikael Melbye (Hercules) and Patrick Power (Evander) were all execellent.

Piano competition gets £85,000 boost

Harveys of Bristol is to guarantee long-term sponsorship for the Leeds International Piano Competition, starting in 1987 with £85,000.

In view of this, the competition will now be known as "The Harveys-Leeds International Pianoforte Competition."

Harveys has sponsored the competition before—in 1978, 1981 and 1984.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

April 19-25

Exhibitions

VIENNA

Vienna 1870–1930: Dream and Reality: The greatest names of the Viennese fin-de-siècle – Klimt, Otto Wagner, Schiele, Kokoshka, Aldolf Loos, Josef Hoffman – in a dazzling display of Jugendstil creative genius. The attempt to integrate the artistic achievements of this era with philosophical developments (notably Wittgenstein but also Freud) and political transformations (the emergence of municipal socialism on the ruins of Baroque splendour) is ambitious and only partly successful. The complex tension between autocratic and censored reality on the one hand and the illusions or fantasies of individual artists on the other is hinted at but not fully explored. A high point of the show is a reconstruction of Hoffman's room at the secession exhibition of 1902. Here, triumphantly restored, is Klimt's fifty-foot Beethoven frieze depicting humanity's progress through suffering to joy on the theme of the Ninth Symphony. Displayed exactly as intended, this alone is worth a special visit. Kunstlerhaus. Ends October 6.

BRUSSELS

Palais des Beaux Arts: Felicien Rops – drawings, paintings and watercolours – a mixture of the macabre and erotic, skeletons and sex. Ends April 28.

ITALY

Rome, Galleria Nazionale d'arte Moderna: Aubrey Beardsley (1872-1898) (in collaboration with the British Council). Beardsley is described by the organiser as "one of the most subtle exponents of European *fin de siècle* decadence" – but one is far more impressed by the simplicity and directness of his style and the rare combination of irony and sensuality. In a career which lasted less than six years, he invented a brilliant series of new styles: from the delicacy and intricate detail of the series of illustrations for The Rape of the Lock to those for Oscar Wilde's Salome (which made him notorious). Ends Apr 28.

NETHERLANDS

Amsterdam. Nieuwe Kerk (Dam Square). Two contrasting shows in the church by the Royal Palace. The first is the 28th World Press Photo Exhibition (ends May 2), the second a selection of satirical drawings by Hans-Georg Rauch (ends April 29).

WEST GERMANY

Berlin, Schloss Charlottenburg, Spandauer Damm, Neuer Flugel: Berlin is putting on the biggest exhibition of Antoine Watteau to commemorate the 300th anniversary of his birth. The National Gallery of Arts, Washington, the State Museum of France and the administration of Berlin's castles are sponsoring the show. The French rococo painter often used poor quality colours, therefore many of his paintings are in a bad condition and have not been displayed before. The exhibition includes 73 drawings and 143 paintings. Ends May 25.

Köln, Kunsthalle, Josef-Haubrich-Hof 1: "Ornamenta Ecclesiae." To underline the importance of the romanesque churches, the Cologne Schnüttgen museum has organised an exhibition of roughly 600 religious works ranging from 11th to 13th century including illuminated manuscripts and gold artifacts. Ends June 9.

Hanover, Sprengel Museum, Kurt Schwitters-Platz: Works from 1885 to 1954 by the French artist Henri Laurens, to commemorate the 100th anniversary of his birth. Through his friend George Braque, Laurens discovered cubism in 1911 and became popular in France. In 1969 the German industrialists Bernard Sprengel, a Laurens enthusiast, gave his entire collection to Hanover. The works include *115 sculptures*, collages, paintings and graphics. Ends April 28.

LONDON

The Saatchi Collection: Charles and Doris Saatchi have been collectors of contemporary art since 1970. The catalogue of their collection, The Art Of Our Time, is being published volume by volume, and a gallery established to make it available to a wider public. The gallery is an astonishing converted paint warehouse at 98a Boundary Road, NW8, that offers more exhibition space for temporary shows than any other gallery in London, except perhaps the Tate. There are to be three or four shows a year, of a few artists at a time. Those now being shown are Cy Twombly, Brice Marden, Andy Warhol, Don Judd, and Richard Serra. The gallery is open on Fridays and Saturdays between 12 and 6, or by appointment. (624 8299).

Cubist Engravings. The great names of the movement, Picasso, Braque, but also Delaunay, Villon, Marcoussis, are assembled under the benevolent gaze of Guillaume Apollinaire. Some of the works are powerful, where a human shape emerges from the puzzle. Others, on yellowing paper, seem touchingly small, intricate and introverted. Berggruen Gallery, 70 rue de l'Université, (222 0212). Closed Mon. Ends April 30.

PARIS

Odilon Redon. Some 500 oils, drawings and pastels given by Ari and Suzanne Redon show the symbolist painter's anguished isolation from the mainstream of impressionist painters while he follows the torments of his imagination and the inspiration of his dreams. Musée d'Art and Essai, 13 ave President Wilson (723 3653). Closed Mon. Ends April 30.

La Nouvelle Biennale de Paris assembles 120 painters of all nationalities. Punk-style posters lure visitors to the trans-avant-garde fun-fair of the arts spreading over 12,000 square metres in a vast hall of the former La Villette Slaughter House. 211 Avenue Jean-Jaures, Metro Porte de Pantin (730 2525) Ends May 21.

Shogun, weapons, armour, clothes, beautiful objects from Japan's golden age from the 12th to the 19th century testifying to the art of living of the tokugawas. Espace Pierre Cardin, 1. Ave Gabriel (266 1730-266 1781). Ends May 14.

NEW YORK

Metropolitan Museum: 30 objects from the period between the 1851 Crystal Palace Exhibition to the 1900 World Fair in Paris demonstrate the show's theme of Revivals and Explorations in European decorative arts. Ends Sept 3.

Museum of Modern Art. The first comprehensive retrospective of Henri Rousseau, including 60 works from as far away as Prague, show the masterful playfulness of the Paris toll collector who brought together man and nature at their most benign and intriguing. Ends June 4.

Treasures from the New York Public Library: 260 works chosen from one of the five best library collections in the world may cover America better than Europe, but the inclusion of a Gutenberg Bible, the Tickhill Psalter and French bindings supplements Americana, such as examples of Melville's work, announcements of the discovery of New York, and one of the earliest globes. Ends May 24. (42nd & 5th Av).

WASHINGTON

National Gallery. Ancient Art of the American Woodland Indians includes 151 pieces covering 5,000 years of sculpture, ceramics, copper and shell objects of the native Americans who lived in what is now the eastern half of the U.S. Ends Aug 4.

National Gallery (West Bldg): 36 old master paintings from the Dulwich Picture Gallery are exhibited under the title Collection for a King, including works by Rembrandt, Van Dyck, Canaletto and Gainsborough. Ends Sept 2.

CHICAGO

Art Institute: Though Edouard Manet made etchings primarily to reproduce and publicize his paintings, he developed a unique style as shown in the 27 etchings in this special exhibit of more than a third of his total output of 75 etchings. Ends Sept 2.

TOKYO

Leonardo da Vinci Nature Studies: 50 drawings on loan from the Royal Library at Windsor Castle concluding a travelling exhibition in Europe, U.S., and Australia. The exhibition has been designed by Paul Williams, designer of the Renoir at the Hayward Gallery, London. Seibu Museum of Art, Seibu Department Store, Ikebukuro. Ends May 12.

Japan a Hundred Years Ago: Photographs from Edward S. Morse Peabody Museum Collection. A superb documentation of pre-modern Japan capturing town and country life touched up with colour for more realistic impression. Tobacco and Salt Museum, Shibuya. The location, a bustling and fashionable area for the affluent young, exemplifies the remarkable changes Japan has undergone in the last century. Ends May 6.

Saleroom

Pride keeps its place

An oil painting by John Trivett Nettleship, "The Sleeping Pride," went for £3,080 yesterday at Sotheby's morning sale of Victorian and modern British paintings and sculpture. The painting, dated 1898, had been estimated at £1,000 to £2,000. The morning half of the sale totalled £157,267, with 15 per cent unsold.

The Ealing Gallery paid £2,750 for Gustav Pope's "Mother and Child," while a private buyer bought William Duffield's "Still life with game" for £2,640. Sir David Murray's "Country Stream with ducks and cattle," dated 1901, fetched £2,530, from an anonymous buyer.

A private American buyer bought Edwin Frederick Holt's "Refreshment at the Bell Inn" for £2,420. Charles Fairfax Murray's "Beata Beatrix," after the painting of the same name by Dante Gabriel Rossetti, sold for £2,200, exceeding its estimate of between £600 and £1,000.

Sotheby's sale of Hebrew books and works of art yesterday totalled £93,662, with 4.9 per cent bought in. The top lot was a Passover Haggadah (Hebrew and English translation by Cecil Roth, illustrated by Arthur Szyk) bound in blue levant morocco and dated 1939, which fetched £3,960 from a private buyer; while an 18th century scroll of Esther was sold for £3,850, also to a private buyer. Sinai Antiques, the London dealer, paid £2,970 for an 1850 Hanukah lamp, possibly German.

Yesterday afternoon, a drawing of the Prime Minister, Mrs Margaret Thatcher, by artist Gilly Rayner, fetched £13,000—around £11,000 more than estimated—at Sotheby's.

The buyer was Mr Keith Barker, managing director of Videocom, a Henley-based computer company which Mrs Thatcher visited recently.

The picture fetched by far the highest price at the sale of Victorian and modern British paintings.

Annalena McAfee

Festival ballet to set up development trust

The London Festival Ballet is to set up a development trust which is to take care of all its fund-raising activities, including the Friends of Festival Ballet, sponsorship, corporate *membership and special* events.

It will be an independent body with its own board and management committee, and the first director will be Jo Ellen Grzyb, now LFB's development manager. A chairman will be appointed shortly.

The purpose of the trust is to expand future development programmes

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Blaming it on Uncle Sam

M JACQUES DELORS, speaking on behalf of the entire European Community, has joined the fashion set by the International Monetary Fund in *its annual report, and recently* taken up by Mr Nigel Lawson, for publicly denouncing U.S. economic policies. These strictures are partly justified, but they are regrettable all the same. They suggest—or in the case of Mr Lawson quite explicitly express—an unjustified complacency about policy in other places, and therefore invite retaliation. Above all, it is hard to imagine a less helpful way to prepare for the summit meeting early next month. If this is to be an attempt to impose the whole burden of economic adjustment on the U.S. it will not only be unproductive, but could very well provoke a retreat into the isolationism and protectionism which the Americans, to their credit, are resisting so hard.

The charge against U.S. policy is so familiar that it hardly needs elaborating here: *both the U.S. fiscal deficit* and the current account deficit which has resulted, are unsustainably large. To judge by the official figures (which are known to contain very large pessimistic errors, over-report*ing world deficits to the tune* of $100bn) the outside world is now accumulating net claims against the U.Sfl economy at quite an impressive rate.

Imbalance

Sooner or later investors and banks will become sated with U.S. assets, and at that point there could be a very painful adjustment soon than to wait for the crisis. This is all familiar stuff, above all to the Americans themselves. They are begining to address the problem in their constitutionally cumbersome way. To judge by the current strength of the dollar they still have some time in hand.

What is forgotten in this analysis, however, is that imbalance is a problem embracing more than one country, and more than one set of policies. The U.S. current account deficit—whatever its true level may be—it matched by surpluses elsewhere, and mainly in a handful of countries represented at the summit.

In its extreme form, as in the IMF report, this one-sided analysis can lead to absurd conclusions, as when it is argued that U.S. policies are clearly wrong, but that Japanese policies, which are generating a structural imbalance which is just as big in terms of national product, are above any criticism. This is characteristic of the deflationary bias of which the IMF *has so often been accused*, and which is quite explicit in this report. Nothing seems to have been learned in the 14 years since American demands for a symmetrical system of international disciplines were re*fused*, and the dollar was floated.

Finance ministers who demand a one-sided adjustment surely have a duty to explain what they think will fill the hole left by a $150bn reduction in *U.S. demand on the outside* world. Mr Lawson, at least, is on record as placing great faith in the consequent fall in in?rest. This remains a largely untried theory (notably in the UK itself), but at least it draws *attention to the monetary aspect* of the problem.

Consequences

Here again it is the fashion to blame everything on the U.S. central bankers, who are always happiest when lecturing their fiscal opposite numbers, are especially fond of this theme. However, the world's monetary authorities, still struggling with the consequences of the reckless expansion of international credit which they regarded so complacently in the 1970s, can hardly claim a monopoly of wisdom. Are they now confident of the meaning of the numbers they try to control in an increasingly deregulated world? How far do high rates reflect a risk premium in a world of junk bonds and rumours of institutional failure?

The list of relevant questions for the summit is all too long. Apart from those listed, European trade protection (especially farm protection), the subsidy wars which misallocate resources, the structural lags which impede growth every*where, and prolonged unemploy*ment could all figure on it. But the best result will only be possible if everyone concerned tries to tackle the issues for which they are responsible, rather than passing the buck.

Herr Kohl must put his foot down

TO JUDGE by this year's Community price review, the new realism which crept into EEC farm policy last year was an aberration, and agriculture ministers are back to their old tricks.

Agreement on 1985-86 farm prices is now almost a month overdue, just about every member state is seeking special concessions on the European Commission's original proposals, and it is quite possible the talks will drag on into the summer.

Things are not quite as bad as they were. For one thing, farm ministers are having to contend for the first time with the financial straighjacket agreed by their governments at which will begin to bite in 1986. Fontainebleau last year and Yesterday's agreement between finance ministers on a 1985 budget leaves the farm ministers no room on paper for manoeuvre beyond the Commission's package.

For another, countries which have been at loggerheads on agriculture in the past like Britain and France are now in broad agreement on the key issue of the price-fixing: the need to curb the costs of support for cereals, thrust into the limelight, after the milk reforms, by the record grain harvest of last year.

Participant

The trouble this time is coming almost entirely from one minister, West Germany's Herr Ignaz Kiechle. He is refusing to countenance any cut in cereal prices to German farmers.

Bonn has always spoken with something of a forked tongue on the twin issues of budgetary discipline and the Common Agricultural Policy. Many were the times that Herr Kiechle's long-serving predecessor, Herr *Josef Ertl, played a crucial role* in free-spending farm price decisions despite all his finance minister colleague's efforts at restraint.

Nonetheless, the firmness of Herr Kiechle's stance has taken observers by surprise. His Government was a willing participant in last year's Fontainebleau agreement that the growth in farm spending should not exceed the rise in Community funds, yet on cereals prices it appears to be throwing caution to the winds.

Chancellor Kohl is enthusiastically canvassing the idea of more majority voting within the Community. Yet his farm minister—apparently with full backing from Herr Kohl—has hinted that he will veto the farm price package unless he gets what he wants. ...

...Although it appears to be united on the farm price issue, the Bonn coalition seems more than ever like a collection of separate fiefdoms responding to contradictory political pressures —not the sort of environment in which hard choices can be unflichingly made.

The powerful farm lobby was particularly incensed by his *agreement to a progressive dis*mantling of West Germany's positive monetary compensatory amounts (MCAs). This device previously shielded German farmers from EEC price decisions by raising farm prices as *expressed in the national cur*rency.

Precedent

The Commission's modest proposal for a 3.6 per cent reduction was itself a dilution of the 5 per cent automatic cut which should have been triggered by last year's cereal harvest. The alternatives to action on prices—such as quotas on cereals production—would be an administrative nightmare.

The only realistic option is for the Community to align its cereal price with the world market level—not least because U.S. moves to cut agricultural support could lead to a further fall in world prices. ...

Giving in to Germany on cereals would set a precedent for a whole host of unacceptable demands from othe member states. Herr Keichle himself has already asked for postponement of an automatic 1 per cent cut in milk quotas which should have taken place at the beginning of this month. The compromise tabled at this week's farm council went further towards diluting the vital dairy reforms.

Meanwhile, the great debate which the Community is supposed to be undertaking on the future of the CAP has been all but forgotten. If sensible reform is to have any chance in the future, Herr Kohl needs to overrule his farm minister now.

EUROPE'S CAR MAKERS

Time is running out . . .

By Kenneth Gooding, Motoring Correspondent

IS EUROPE destined to become an also-ran in the world car business? And will the major manufacturers draw back behind a protectionist wall and survive on a diet of liberal and regular doses of state aid?

These questions are being asked today as the industry digests the news that Renault suffered a record £1bn loss in 1984. For the state-owned French group is not the only company to have sustained substantial losses at a time when the U.S. companies and the Japanese seem to be moving much more smoothly towards the day, not too far distant, when there will be one world market for cars.

Europe's volume car producers are at a strategic crossroads. They face a period of great change. The adjustment period will be long, costly and painful for some. The debate about which direction the industry should take is gathering momentum.

The car makers' problems include:—

● The two major U.S. groups, Ford and General Motors, with costs cut in their domestic markets, are now reaping large *profits* and have been strengthening links with their Japanese associates: Ford with Mazda and GM with Toyota, Isuzu and Suzuki. Chrysler, third-largest of the U.S. producers, announced earlier this *month that it is to work much* more closely with Mitsubishi and increase its shareholding in the Japanese group to 24 per cent.

There is thus a distinct danger that the European *industry could find itself* before long facing the combined might of the U.S. and Japan as a series of co-operative links—leading to exchanges of technology and products—develop between the American and Japanese industries.

● The Europeans, meanwhile, are pre-occupied with the immediate problems of excess capacity, intense competition, negligible profits and low growth in demand.

They may be able to solve the capacity problems, but there seems little they can do about demand which is rising at only about 1.5 per cent a year compared with 3 per cent in the *early 1970s*.

● The Japanese are already selling 1m cars a year in Europe—about 10 per cent of the market —and are looking for assembly footholds within the European Community now they have sorted out production: plans for North America. Nissan has a site in Britain, Honda wants to build on its association with Austin Rover; it will not be long before Toyota decides its European strategy.

● GM and Ford may well opt to bring many more "captive" imports into Europe from their plants in Brazil, Japan and even South Korea. In Britain, both companies already import half the cars they sell. Ford and Fiat have been taking advantage of Brazil's generous export subsidies to send cars to Europe for some time.

"For traditional European volume car producers, production will be on a downward trend from now on," predicts Mr John Lawson, head of DRI Europe's automotive farecasting team.

DRI reckons that by 1991 an *annual 800,000 "captive" imports* will be flooding into Europe from lower-cost countries. In Europe labour gobbles up 25 per cent of the industry's revenue, so this process will help transform the financial *position of those manufacturers* in a position to take advantage of it.

● Europe's six largest car producers are in a financial mess: they suffered combined losses equivalent to $2.3bn over the past five years. Yet they must keep up with the Japanese and Americans in an investment race which will transform production methods and give customers cars that will be cheaper in real terms yet better-equipped than ever before.

PROFITS (LOSSES) OF EUROPE'S CAR PRODUCERS

PRE TAX UNLESS OTHERWISE STATED

	1984	1983	1982	1981
VOLUME				
VW (Net profit & tax)	n/a	279m DM	158m DM	900m DM
RENAULT	(12.55bn FF)	(1.57bn FF)	(1.28m FF)	
PSA	n/a	(2604m FF)	(3896m FF)	(2086m FF)
FIAT AUTO (operating profit)	n/a	L596.3bn	L400.4bn	
U.S. MULTINATIONALS				
FORD EUROPE	$147m	$281m	$451m	
GENERAL MOTORS EUROPE	($291m)	($228m)	$6.2m	
OTHERS				
DAIMLER-BENZ (net)	n/a	4.251bn DM	4.231bn DM	3.916bn DM
BMW (domestic)	n/a	912.6m DM	564.1m DM	395.3m DM
ALFA ROMEO (operating profit)	(L97.8bn)	(L35bn)	(L10bn)	(L56bn)
AUSTIN ROVER (operating profit)	(£26m)	£3m	(£101m)	
SAAB CARS (operating profit)	879m SEK	821m SEK		
VOLVO	n/a	3779m SEK	2440m SEK	1425m SEK

Source: Editorial Research

Philip Thompson

> The adjustment period will be painful for some

"There will be one world market for the auto makers and customers will be pampered by all the manufacturers," predicts Dr Carl Hahn, chairman of Volkswagen.

Between 1981 and 1990 the Europeans' capital expenditure requirement will total $80bn to $100bn, but cash flow projections by Prof Krish Bhaskar's research unit at the University of East Anglia suggests there will be a deficit of $20bn to $30bn.

Stock markets and banks, which are taking an increasingly jaundiced view of the European motor industry, are unlikely to put up much of the money. In years gone by, governments would have stumped up the cash—a great deal of the industry is already state-owned: Alfa Romeo, Austin Rover, Renault, Seat, Volvo Holland, are majority-owned while 40 per cent of Volkswagen is in government hands.

But times have changed and the debate about the industry's future has to start with the recognition that governments are no longer convinced that support for the industry offers *value for money. The hard*-nosed, "not a penny more" attitude which the UK government is taking towards Austin Rover is likely to be followed elsewhere in Europe.

Already, France's Socialist *administration* ousted *M* Bernard Hanon from the presidency of Renault earlier this year to signal its intense *displeasure* with the group's large losses for 1984. The neo-Gaulist RPR opposition party has said it will de-nationalise Renault if returned to power.

The Socialist Spanish government has also had enough and put its perennial loss-maker Seat up for sale with the pre*ferred* buyer being Volkswagen.

The old argument that an advanced, industrialised country needs a healthy motor industry because it stimulates so much other beneficial economic activity remains as valid as ever. The problem is that most state aid is designed to protect or create jobs. But the auto industry no longer provides the employment it once did and job losses are starting to accelerate.

"The new, automated production processes can reduce the direct labour content of a car by between 30 and 50 per cent," points out Prof Garel Rhys, professor of motor industry economics at the University of Cardiff. "Quality improvements can eliminate whole sections of indirect labour used in the inspection processes. CAD-CAM can increase engineers' productivity by 30 per cent compared with older methods."

And Mr Dan Jones, who headed the UK team involved in the MIT "Future of the automobile" programme, suggests that job losses will come from capacity reductions as *well as a reduction of labour* hours towards Japanese levels.

"The U.S. industry reduced its capacity and employment after 1980 to bring down its break-even cost levels and the European industry will have to do the same in the second half of the 1980s.

"Capacity reductions will take place in most of the companies and countries, particularly in France and to a *lesser extent in West Germany*, Belgium, Italy and Spain—not the UK because it has already been reduced substantially."

Mr Jones, senior research fellow at the science policy research unit, University of Sussex, adds that "despite the belief that European labour is difficult to shed for legal and political reasons, 150,000 jobs have gone in the UK since 1979, 130,000 in Italy and at *least 55,000 in France*."

This year Renault has a major job-reduction task to perform while Ford of Europe has admitted it intends to cut capacity and is close to making a decision on what its approach should be. Whatever the outcome, many more jobs will go.

To raise the cash for new products and processes, the European volume car producers will be forced to look increas*ingly for those market niches* which allow a reasonable profit to be made — today's production equipment permits a great variety of versions from one car design concept. In turn this will increase the pressure on the specialist producers filling some o fthose niches — BMW, Mercedes, Saab and Volvo — which have remained healthy so far.

The Europeans will also have to learn to co-operate among themselves to a greater extent than in the past.

Prof Rhys maintains: "There is still a chance that the European industry could rationalise in a way that its cost structure and capacity utilisation makes it internationally competitive while at the same time the consumer is protected by maximum feasible choice in the market place.

"During the next ten years *thorough - going collaborat'*?*n* and co-operation could make both aims consistent and Europe could avoid the fate of the U.S. where three companies have long dominated the market, or Japan where Toyota and Nissan between them have a 65 per cent market share."

> It is possible to see a silver lining

The multinationals have a distinct advantage if collaboration is the way to financial survival. They can co-operate within the entity of a single company with resulting benefits in decision-making, product development and getting maximum economies of scale. They can import components to Europe from the rest of the world but still on an in-house basis.

However, apart from Volks*wagen, the European companies* do not look convincing multinationals.

That is why Sig Vittorio Ghidella, chief executive of Fiat Auto, feels that the two U.S. groups pose a much bigger threat to the European producers than the Japanese. "The Japanese have been trying to establish themselves in Europe for some years with joint ventures and they can't be too happy with them. They will find it very difficult to export their culture—that 'work for work's sake' mentality—to Europe," he *maintains*.

"However, we must devise a type of European productivity which fits our culture. If we do not succeed in innovating and containing costs, Japanese penetration in Europe will continue to grow. The alternative would be to close the frontiers and not let anyone in. But in the long run this solution would be counterproductive for European economic interests."

Fiat's own response to the American threat has been to start discussions with Ford of Europe about a wide-ranging technological collaboration. It will be a month or so before the outcome is known but the Ford-Fiat link could provide the *catalyst to trigger* off more co-operative arrangements.

Like many others in the industry, Sig Ghidella insists politicians must take their share of the blame for the car makers' troubles because they have failed to develop a homogenous European community structure.

"I hope we achieve as quickly as possible full and effective integration in the EEC, at least on the monetary level. We would then eliminate many *distortions* that arise from present policies and this would certainly condition the industrial and economic strategies of the various governments," Sig Ghidella says.

Volkswagen's Dr Hahn also maintains that the "sickness" of the European companies has in part been caused by politics. With a glance in the direction of recent wrangles over emission controls and European car prices, he says, "We have the technical capability here in Europe. But if you put too much of a burden on the industry you are heading for disaster."

The Europeans set great store on their technical ability to keep them ahead in the race with the U.S. and Japanese groups. And with good reason.

Mr Jones suggests: "Europe's main strength lies in its product *technology and design*. This strength derives from the diversity of the Euroepan industry where there has been no dominant producer or market segment. Different companies have pursued different strategies, have accumulated different skills and hence Europe has a very rich reservoir of design and product technology."

One way to measure Europe's success in this area, *according* to Dr Hahn, is to stop counting cars and tot up the value instead. For example, in 1983 the Japanese earned $10.7bn from the 1.86m vehicles they exported to the U.S. The Europeans exported *only* 420,000 vehicles but the value was $5.3bn.

It is possible, too, to see a silver lining. "If Japanese levels of costs are to be achieved there could be a 500,000 reduction in the European vehicle industry workforce by 1995," says Prof Rhys. "But the immense wealth created by the industry could have a massive indirect affect on job creation in Europe."

Men and Matters

Old customs die hard

Patrick Jenkin has been seeing red in Liverpool this week. But for once it has nothing to do with Councillor Derek Hatton and his militants. It was some red tape, discovered on a tour of the city's new freeport, that niggled the Environment Secretary.

Jenkin was very impressed by the way the Mersey Docks and Harbour Company had kept *down the freeport's staff costs*—just manager Frank Rowbotham, a deputy and a secretary, to make it all work. Rowbotham has computerised everything, including all work on VAT, which can be quite *complicated at a freeport* boundary.

But when Jenkin asked if the dock company's computer was linked to the Customs and Excise VAT computer at Southend, he learned that an electronic link had been refused on the ground that the Customs men had not got the resources to develop suitable software.

The result is that Rowbotham and his staff have to print out their own data, write it down by *hand on Customs and Excise* forms, and send them to Southend, where it is then keyed into the VAT computer.

Guess which Government department was most opposed to the very idea of freeports? Yes, you've got it. But as Jenkin muttered angrily, it is not going to slow them down now they are a reality. "Something will be done," he vowed.

"and the fight for a seat doesn't stop even when you reach the Commons—how brave"

Liquid funds

Scotch whisky sales may generally be rather depressed, but in Stockholm at least whisky seems to have become a new diplomatic currency.

Diplomats from the Soviet embassy are under suspicion for having used tax-free bottles of Scotch to trade for stereos and videos from a dealer in one of the southern suburbs of the Swedish capital.

The police were tipped off by a paser-by, who saw the cartons of whisky bottles being off-loaded into a radio dealer's shop from a Volvo with diplomatic number-plates. The car was *traced to the Soviet* embassy.

The Scotch — "the real Mackenzie"—has been seized and the radio dealer has admitted to Stockholm police that he has taken whisky in *part payment for goods on* several earlier occasions from Soviet diplomats.

He bought the Scotch for around SKr 120 per bottle—about half the going price at the state monopoly liquor stores in the city.

The sale of tax-free alcohol by embassy officials to bars and restaurants in the city is not unknown to the police it is helped by punitive Swedish taxes on spirits and wine—especially by East bloc diplomats short of Western currency.

One ambassador was even expelled during the 1970s for such offences, but the Swedish Foreign Ministry has yet to react to the latest allegations.

Relations with Mos??w are touchy at the best of times, and the Minister is still preoccupied with trying to get an explanation out of the Soviet embassy for last week's boarding of Swedish trawlers by Russian fishery inspection officials in the Baltic Sea, where the boats were fishing in international waters.

Ray of hope

An American enthusiast who believes oil companies will soon be selling us solar energy by the square metre, as well as petrol by the litre, beamed his way into London the other day.

Dr Leonard Magrid names Atlantic Richfield, Shell, Socal, Mobil and BP-Sohio among a dozen large companies which believe they can market photovoltaics as a billion dollar business.

Now a consulting engineer with PA Technology in Princeton, Magrid once ran the photovoltaic solar energy research programme of the U.S. Department of Energy, and watched solar research expand from a *$2m budget in 1974 to $200m* when President Reagan came to office.

He left government after giving a passionate presentation to James Edwards — the dentist who became his new Energy Secretary in the early 1980s — only to have his budget slashed by two-thirds.

Magrid's mission now is to help companies surmount what he sees as the final hurdles before ribbons of silicon solar cells are streaming like tinplate from U.S. production lines.

The challenge is learning to use some novel and highly automated methods to make solar cells competitive. The administration have removed the tax advantages which once made solar energy seem closer.

Magrid flashes a watch (Japanese) which captures 100 times as much sunpower as it needs in a few seconds' exposure, but admits another decade may pass before a solar roof can compete even for someone living in the sunbelt.

Even then, the signs are that *you will be back at the solar* pump every few years. Sunbeams may be free but, it seems, they wear out the solar cells.

Man to watch

No enterprising employer could resist bidding for the man whose personality profile has just appeared in Executive Recruiter News in the U.S. "High potential for success in virtually any*thing*," it says. "*Extremely high* need to win and staying power . . . very quick minded and emotionally stable . . . afraid of nothing in dealing with others."

But the thrusting high-flyer won't be on the jobs market *until 1988. He is 74-year-old* President Reagan.

When he sent the Soviet leaders a handwritten note of condolence on Chernenko's death, Executive Recruiter News promptly forwarded copies to *two handwriting-analysts*. While their reports agree on his outstanding executive and sales abilities, however, they cast a chilling light on the human warmth of U.S. presidents in general.

One graphologist insists that Reagan's concern for his fellow humans is no better than average. Even so, says the other, he still likes people more than did his predecessors at the White House, including President Kennedy.

"JFK's signature alone shows an aversion to others. . . . By contrast the round, flowing hand of Reagan shows sociable characteristics."

Observer

ECONOMIC VIEWPOINT

A sceptic on intervention

By Samuel Brittan

EXCHANGE RATE policy is back in fashion. M Jacques Delors proposed "exchange rate zones" when he was French Finance Minister. Although he avoids this precise expression in his new capacity as President of the EEC, he now gains a more respectful hearing for the underlying idea.

In the first few months of this year, not only has the Bundesbank intervened against the dollar, but it has been joined by the Bank of England (which was previously inhibited by the Chancellor from such action); even the U.S. authorities have put in a token appearance, whose effect was much amplified when Paul Volcker called for intervention, which in the event was largely left for other central banks to undertake.

There is a very sharp distinction—which is not always made in the current discussion—between the use of *exchange rates* as indicators to guide domestic monetary policy and intervention by central banks in the foreign exchange market.

The weight of evidence of the past decade strongly suggests that monetary policy will be more successful and less destabilising if government and central banks take exchange rates into account than if they try to follow purely domestic monetary rules. This does mean that a country which regards its exchange rate as "*low*" must pursue tighter policies than it otherwise would, and that a country with a "high" exchange rate should follow more expansionary policies.

How to balance domestic and exchange rate considerations in monetary policy, and how to secure benign rather than malign effects from the interests of different national authorities, are of course difficult and unresolved questions. But it is simply a cop-out to suppose that national authorities can dodge the domestic policies required, if they are serious about influencing exchange rates, by a series of clever market purchases and sales of foreign exchange.

It is, in any case, not possible to establish target zones, with *any chance of their being either* feasible or desirable, without some idea of what an appropriate or long-term market clearing exchange rate actually would be; and the intellectual basis for such assessment does not exist.

PROFITABILITY OF THE BANK'S INTERVENTION

	Excluding interest			Including interest		
	Cumulative intervention	Cumulative sterling capital	Profit	Cumulative intervention	Cumulative sterling capital	Profit
Intervention:	1	2	1—2	3	4	3—4
Jan. 1976—Oct. 1976 inclusive						
Valued at exchange rate ruling at:						
End-Oct. 1976	−4,245	−3,728	−518	−4,339	−3,902	−427
End-Aug. 1982	−3,921	−3,728	−193	−7,778	−8,048	270
End-Dec 1982	−4,163	−3,728	−435	−8,538	−8,329	−209
Nov. 1976—Oct. 1977 inclusive						
Valued at exchange rate ruling at:						
End-Oct. 1977	6,479	6,866	−386	6,610	7,039	−429
End-Dec. 1982	7,269	6,866	503	14,289	13,655	634

Source: Bank of England Bulletin, Sept. 1983

Nearly all attempts to estimate appropriate exchange rates are based on comparative movements of wholesale or export prices, or of labour costs per unit of output.

Apart from the weaknesses of the indices, there is the further problem of non-price competitiveness: delivery dates, service, technological lead, and so on.

Conventional cost and price comparisons give an appropriate dollar rate of little above DM 2. But we have no idea how much, if at all, U.S. non-price competitiveness has improved in the last few years when the real dollar exchange rate has risen by more than 50 per cent.

The trade account is only the beginning of the problem. If returns are higher or investment politically safer, or in any other way more attractive in one country than another, then balance for the capital-attracting country will automatically require a current account deficit.

Nor are there known criteria for saying how much overseas inflow is too much. It may be morally dubious for the U.S. to become an increasing net debtor, while the main LDC countries are forced to achieve a near balance on current account. But if the return and security of investment in the U.S. is higher, capital will flow that way.

Nor is there any way of ruling out as illegitimate purchases of dollars or dollar securities made by sheikhs or government treasurers for portfolio management purposes. A desire to build up dollar assets is not something that central banks can cause to disappear by waving a magic wand.

Nor is there much point in inveighing against high Japanese savings and ratios and low U.S. ones as the Morgan Guaranty *World Financial Market* does. These are facts of life and the job of the international capital and foreign exchange markets is to accommodate them, rather than lecture countries on their ingrained behaviour patterns.

The recent height of the dollar can be explained either in the Feldstein manner as a response to an inappropriate mix of U.S. domestic policies with budget deficits too high, and a consequent attraction of foreign savings to finance them. Alternatively it can be explained, as Herbert Giersch of Kiel does, in terms of the contrast between Eurosclerosis and the performance and prospects of the U.S. economy. The two rival diagnoses have radically *different implications for the* whereabouts of any target zone; but there is not the evidence to decide between them.

The cynical judgment is that the dollar is too high when its effects in siphoning off U.S. demand abroad and inflaming the American industrial lobbies exceed the prestige and counter-inflationary advantages *of a high dollar. If the U.S.* authorities feel this way, the fundamental correctives are domestic, whether by reducing the budget deficit, countenancing a faster growth of the U.S. money supply, or just possibly persuading other central banks to relax themselves.

A U.S. import surcharge would be a two-edged sword. In terms of normal balance of payments arithmetic it should send the dollar higher still. But when expectations and confidence are taken into account, it is just as likely that the dollar would crash as it would soar, but by unpredictable amounts. In return for these dubious benefits, there would be the serious risk *of triggering off a world* trade war, as did the Smoot-Hawley tariff of 1930.

The wiser advocates of exchange rate management, such as Lord Lever, emphasise that intervention must start from where we are now, rather than some econometric calculation of the true rate.

Yet there is no way of establishing a formal or informal zone without some background idea of the correct rate. Suppose that a zone of DM 2.70 to DM 3.10 is established for the dollar and the dollar nears the bottom *of the range. Do the central* banks start buying dollars and risk having to sell them at a still lower rate; or do they shift the range downwards?

The instinctive reaction of the central bankers—as distinct from the central planners—is to have no firm view about the dollar or any other currency, but to be strongly opposed to "*too rapid*" *a move in either* direction. But this again is highly questionable. If the market eventually decides that the dollar is grossly overvalued, what is to be gained by losing taxpayers' money in buying up dollars expensively and prolonging the period of high U.S. *current* account deficits and all the associated problems?

The view of Mr Nigel Lawson, the British Chancellor, is that intervention is justified mainly against speculative froth. But how do you distinguish at the time between a speculative raid and a fundamental reappraisal—except to say that it is speculative if directed against sterling and a fundamental reappraisal if another currency is involved?

The main role of intervention is to reduce volatility—bearing in mind that it is the major month-to-month and quarter-to-quarter swings that worry business, rather than the minor day-to-day changes that occupy the headlines.

Ex post intervention can be assessed by some statistical indices of volatility. But these do not provide operational guidance or appropriate incentives in advance.

For all its imperfections, the one acceptable *yardstick* by which to judge intervention remains profitability. If the Bank of England thinks that there is a bear raid on sterling, it can iron out the sterling dip at a profit to itself. If it mistakes a lasting fall for a temporary weakness, it is likely to make a loss.

The Bank has in fact already *published its evidence to the* Working Group, established after the 1982 Summit, in which it argues predictably:

(a) that profitability is not the right test; but

(b) in any case its interventions were profitable.

M JACQUES DELORS
EEC President

Its arguments against the profitability yardstick mostly show that it is an imperfect one, not that there is a better one. For instance, there is a chart showing that a monopoly speculator (which the bank is not) will maximise its profits with less than complete smoothing.

A more serious difficulty is that when net intervention is not "closed out"—that is when the central bank is left with a lasting addition to, or depletion from, its foreign exchange reserves, the resulting profit or loss will vary as the exchange rate changes, long after the end of the period in question.

For instance, intervention in support of the pound prior to the IMF negotiations of 1976 appeared unprofitable at the time when sterling was sinking, profitable during the strong petro-pound of the early 1980s, but unprofitable again by December 1982.

Intervention to keep the pound down before it was uncapped by Chancellor Healey in October 1977 seemed unprofitable at the time, but profitable by the end of 1982 when sterling had fallen and the dollar had risen.

These valuation changes are inconvenient, but surely similar to those *faced by any portfolio* manager, whose performance is judged not merely by the movement of the securities he has purchased in a particular year or quarter, but by the movement of those he has purchased in earlier periods.

In the central bank case, performance has to be judged not merely when the intervention is undertaken but in all subsequent periods, so long as there is an outstanding position. Like portfolio managers, central bankers can hardly be expected to perform well every time; the *test of their intervention must* be profitability over some long-term moving average.

The Bundesbank's foreign exchange profits are so large that they meet much of the Federal Government's deficit. This is less clearly so for other central banks.

Ideally, central bank governors' salaries and perks *should* be *highly geared to* intervention profits and losses. In default of this, accountability and transparency are prime requirements if central banks are to be allowed to intervene by sizable amounts.

Lombard

An offer not to be turned down

By David Marsh in Paris

"A SPACE force which blankets the planet requires no overseas bases. . . . It is a high-technology item, and quite expensive, but all the money is spent at home stimulating our own economy"— Mr Maxwell Hunter of Lockheed Missiles and Space in a 1980 paper on space-laser weaponry.

"When I go to see companies in the U.S. I don't see small innovative entrepreneurs but huge machines financed out of the defence budget. The Star Wars programme will boost these people's expertise in crucial field-optics, electronics, *lasers—with important* civil applications too. They will have a lead for the next 15 or 20 years"—chairman of one of France's leading military space companies, March 1985.

Despite the inconclusive outcome of this week's WEU meeting in Bonn, Europe is at last starting to understand that the U.S. strategic defence initiative offers opportunities as well as pitfalls for the Old Continent.

The key lies in realising that, out of all the diverse political and economic targets aimed at in U.S. space weapons research, the long-term goal of coming up with a credible defence against ballistic missiles may conceivably turn out to be one of the least significant.

Whether or not the programme leads to a space shield making nuclear weapons "obsolete" (and here even U.S. experts blanch at the excessive optimism of President Reagan's *term), it will certainly yield* technological advances which engineers will be adapting for use in everything from cars to home entertainment over the next 20 years.

The view from the French scientific-military establishment is that the U.S. offer of European participation in the SDI programme—despite the initial brusqueness with *which* it was put forward—offers Europe a golden opportunity.

Climbing aboard in a properly coordinated way—the direction in which France is trying to steer the rest of Europe—offers Europeans three distinct chances:

● Insight into technological advances with potential civil applications in areas where European companies might either be left out or be treated as "second class" partners of the Americans;

● Possibility of observation of—and some degree of control over—the pace of military-useful research which will have a key bearing on the future credibility of the British and French nuclear deterrents; and

● *Possibility of checking U.S.* claims over the parallel advances, actual, imagined and anticipated, of the Soviet Union in the particle beam weapons field.

More generally, a coordinated policy over SDI could boost overall European collaboration in fundamental research.

Of course, there are also potential drawbacks over SDI participation. Involvement in research will make it harder for European politicians to make disparaging references to the Maginot Line-like efficiency of a future space shield—even if such remarks might carry a lot of justification.

More importantly, endorsement of the value of Star Wars research risks damaging the *credibility of the relatively* minor French and British nuclear deterrents.

Europe too knows that achieving real insight into U.S. military research will not be easy. As just one example of lingering U.S. mistrust of the French, when American hunter-killer nuclear submarines pay exchange visits to Brest, French naval officers piped aboard are never allowed to see the nuclear reactor end of the boats, for fear of gaining access to U.S. propulsion technology from which France was excluded in 1958.

In its response to the U.S. over the space station project, Europe has however already shown that it can join forces to increase the benefits of working *with the Americans.*

Star Wars offers a chance of furthering that spirit of togetherness. And, as a plus point, Europe for the first time since the Manhattan Project might have a chance of influencing—even indirectly—the weapons research that lies behind the U.S.-Soviet arms race.

**Quoted in "War in Space" by James Canan (Harper & Row).*

Letters to the Editor

European defence

From Professor F. Pirani

Sir, — No doubt Mr Davidson is right (April 22) to draw attention to the technological gap which will develop when "Star Wars" research gets into its stride in the U.S., although the prospective *civilian* technological spin-offs seem to be rather slim pickings for so great an expenditure.

I should, however, like to point to a quite different kind of spin-off from the "Star Wars" programme which may help to explain the clamour of protest against the programme which has arisen in Europe in the past *few months. It is that* "Star Wars" plus nuclear disarmament could be disastrously expensive for European Nato members. In arguing this case I shall not elaborate the point that "Star Wars" research is exceedingly unlikely to bear fruit, at least in any form remotely resembling that intended by President Reagan.

The "Star Wars" programme is engendering changes in American nuclear strategy, whose objectives were set out explicitly by Paul H. Nitze, Reagan's special advisor, in an article in the *Los Angeles Times* last month. In this article appears a crucial phrase for Europeans, namely the prospect of "an enhanced ability to deter war based on an increasing contribution to defense of non-nuclear weapons." This should be read together with Mr Weinberger's remark in his last annual report to Congress that "*our allies* clearly need to continue to enlarge their defense efforts, and we have urged them to do so."

The point is that the opening up of "Star Wars" perspectives amounts to a *clear admission of* the closing of the U.S. nuclear umbrella over Western Europe. America's European allies have for years been getting defence on the cheap — heavily dependent on the U.S., and heavily nuclear. "Star Wars" threatens the first, and success at Geneva threatens the second. Finance Ministers who might be worried by the prospect of *paying for* an independent European high-tech research programme ought to be completely paralysed by the prospect of paying for the *conventional defence* of Western Europe, at least with any defence posture remotely resembling the present one. Much more is needed than the tightening up of the ABM treaty which Mr Davidson suggests, and which anyhow seems directly contrary to the Pentagon's intentions.

The pretence of American nuclear deterrence *is going to* be withdrawn from Europe, and General Rogers' aggressive conventional posture is too expensive to be sustained. What is needed is a defensive *conventional posture*, well back from the East-West German border, and now would be the time to work it out. The West Germans wouldn't like it much, which might explain Chancellor Kohl's enthusiasm for "Star Wars," but Western Europe could well afford it, and the other advantages, military, political and economic, need no elaboration.

(Professor) F. A. E. Pirani.
22, Siddons Buildings,
Tavistock Street, WC2.

Hedging and ditching

From Mr I. Andrews

Sir,—The recent correspondence in respect of dollar hedging by pension fund managers brought forward a criticism of the practice by Mr Jecks of Cubie, Wood & Co (April 19) which cannot be endorsed.

He questions whether it is appropriate for pension funds to hedge their currency risks and whether fund managers are genuinely "hedging" portfolios. The answers he gives in support of his criticism have been arrived at on the basis of certain conclusions he reaches which are themselves questionable. Without recognising it, he does, however, draw brief attention to what is and should be the primary role of the pension fund and investment manager.

He says that "selling dollars forward . . . is really an investment decision." This surely is the crux of the matter. Ever since exchange controls were abolished, fund managers have increasingly looked overseas in order to provide a greater international spread of *investment* but the currency in which those investments are traded must be as important as the choice of the investment made.

The relentless strength of the dollar over the past few years has been such that a fund manager would be failing in his duty if he had not given thought to the possibility of selling dollars forward up to 100 per cent of the dollar value of the U.S. securities held. This surely is prudence in order to protect the sterling value of the portfolio's dollar *securities in the* event of a reversal in the dollar's fortunes. Mr Jeck's suggestion that such action is really to make money from a falling *dollar is totally* erroneous as the sterling value of the dollar securities (against which the forward sale of dollars was carried out) must have declined in value by as much as the forward sale has increased in value. The contract for these forward sales can extend for different periods of time, as Mr Jecks points out, they are typically for six months. The pension fund or investment manager must assess and appraise the many pros and cons of maintaining and/or renewing a contract in the light of several factors which help form the decision he reaches but remains the manager and there is no substitute for thought.

It will also not have gone unnoticed by Mr Jecks that the UK stock market has generally been far more buoyant than Wall Street during the period of the dollar's strength. Now that the currency roles are perhaps reversing, a relative improvement in U.S. stock market values may be of little benefit in sterling terms without hedging the dollar content of portfolios.

Mr Jecks also refers to pension fund investment being, by its nature a long term strategy. I concur with this view but without taking due care and attention to the journey as it progresses, the eventual arrival may well prove a disappointment.

A pension fund manager is appointed to maximise the return of the funds under management and it must be left to his or her judgment as to the measures that are taken to fulfil this objective.

I. R. D. Andrews.
Brewin Dolphin & Co.,
5, Giltspur Street, EC1.

Subsidised tenants

From Mr E. Reeve.

Sir,—Samuel Brittan's article on "More homes to let" (April 15) is to be welcomed by both landlords and the considerably greater number of homeless persons, who at this time of year are getting an especially raw deal by being thrown out of their bed and breakfast accommodation by hoteliers who can now let to summer tourists at nightly rates far in excess of any payments by the DHSS that are made to the homeless.

The "wets" in the Cabinet who are concerned that the Conservatives will be associated once more with Rachmanism should get their thinking straight. Rachmanism can only flourish within a system of controls and restrictions where there are considerable benefits to the landlord of forcing tenants to vacate their flats.

In a free market situation which would develop within a few years of the removal of controls, the *bad landlord* could not exist. Rather he would be left with empty properties on his hands which he would be unable to let in the market, if it were not up to the standard required by tenants.

Mr Brittan argues that the effect on the PSBR would be minimal but without wishing to appear naive this should not be one of the political considerations on this matter.

The so called "fair rent" system is a travesty of its name and natural justice. It is in effect legalised robbery by an ever decreasing number of specially privileged tenants perpetrated on property owners and should not be tolerated in any just society. No individual landlord should be forced to subsidise another person at all, let alone for 50 years or more, as is the situation in countless cases.

The problems of homelessness, dereliction and depletion in the country's housing stock, can only be reversed by removal of the present controls and perhaps replacement by a system similar to that which currently exists for commercial property under the Landlord and Tenant Act 1954. This would ensure that tenants had a right to remain in their homes, provided they paid a market rent.

Edward Reeve.
12, Lupus Street, SW1.

Substitutes for imports

From Mr R. Ledingham

Sir,—It can be argued that assistance for import substitution offers substantially more scope for increased British output than maintenance of export subsidies.

If we respond to foreign export subsidies by providing our own, we merely create a spurious element of world trade. To respond with assistance for import substitution has the merit of, at least, helping to retain a real level of world trade, not an artificially *stimulated one.*

R. A. Ledingham,
Rose View,
Main Street,
Hethe, Oxon

Going through the roof

From Mr J. Shaw.

Sir,—*Mr L. Di Marco's suggestion* (April 19) that a company should be formed to market the talents of the highly paid chief executives of some of our largest companies leads me to assume that such persons are presumably so rewarded to enable them to subscribe to private medical protection schemes the annual cost of which is apparently rising as fast as these persons' salaries.

J. Neil Shaw.
John Reynolds & Co (Insurances),
21, Quay Street, Manchester.

FINANCIAL TIMES
Thursday April 25 1985

UK AEROSPACE GROUP SETS DATE FOR SHARE FLOTATION

BAe sells aircraft to China

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT, IN LONDON

BRITISH AEROSPACE has achieved a significant breakthrough in China with the sale of 10 Type 146 four-engined regional jet airliners, worth $150m.

A memorandum of understanding for the deal has been signed in Peking between the China Aviation Supplies Corporation and British Aerospace, opening the way for full contract negotiations. It is intended that contracts will be signed early in the summer with deliveries starting in June 1986 and completion of the order in 1987.

Sir Austin Pearce, chairman of British Aerospace, announced the order yesterday. He also revealed that next Monday the proposed extraordinary general meeting of British Aerospace would be held to give effect to the forthcoming share issue. He said that the final prospectus for the share sale would be issued at the end of next week, together with details of the issue price. Applications for shares would open on May 6 and close on May 10.

The forthcoming issue involves the sale of the Government's remaining 48 per cent shareholding in British Aerospace, together with an issue of 50m of British Aerospace's own shares, jointly expected to raise around £600m ($738m).

Sir Austin said that the Chinese order for the 146s was a breakthrough for the company and followed a lengthy demonstration tour throughout China last summer by a *146 airliner.*

It had also been helped considerably by the British trade mission to China earlier this year, headed by Lord Young, Minister without Portfolio. The mission had discussed extensively in Peking the possibility of sales of British Aerospace products in China.

The order for the 146s follows a recent spate of orders by China for Western commercial jet airliners. Only last week, Airbus Industrie, in which British Aerospace has a 20 per cent stake, announced an order for three of its A-310 medium-range jet airliners. A few weeks earlier, McDonnell Douglas of the U.S. won an order from China for 25 short to medium-range MD-80 jet airliners, while earlier this year Short Brothers of Belfast won an order for eight Type 360 commuter and feeder liner aircraft.

The latest deal indicates that China is re-equipping its ageing civil air fleet with a wide range of Western aircraft types. Past experience indicates that initial orders of this nature are almost invariably followed up later with further contracts, particularly specifying manufacture under licence in China of the aircraft involved. For example, in the recent McDonnell Douglas deal, it was specified that 24 out of the 25 aircraft ordered would be assembled at the Shanghai aircraft factories from parts manufactured by McDonnell Douglas at Long Beach, California.

At this stage, there is no formal indication of further orders beyond the 10 146s now involved, but British Aerospace officials were optimistic that additional contracts would be forthcoming.

Regulators rescue savings group in California

By William Hall in New York

U.S. BANK regulators have been forced to come to the rescue of the Beverly Hills Savings and Loan Association, a fast growing Californian savings institution which last week announced that it expects to report a $100m loss for 1984.

The Federal Home Loan Bank Board stepped in at the close of business on Tuesday after it found the group to be insolvent and in an unsafe and unsound condition.

In just three years its assets had more than tripled to $2.93bn, which had been financed by a heavy reliance on expensive deposits provided by money brokers.

The Swiss financier, Mr Werner K. Rey, has a 9.9 per cent stake in the thrift, which has blamed the expected 1984 loss on problem property deals by a previous management.

The decision effectively to nationalise the troubled savings bank and provide it with federal support is the latest indication of the troubled condition of several savings and loans institutions in California.

These institutions have much more flexible investment powers as they are chartered by the state. Federal bank regulators, who still have to insure their deposits, have become increasingly concerned about the growing number of abuses which appear to be surfacing in poorly managed Californian savings banks.

Financial Corporation of America, parent of American Savings, the biggest U.S. savings institution, recently reported a loss of over $500m for 1984 and is being nursed back to health by a new management team and Washington regulators.

Several U.S. saving institutions have a negative net worth, and the recent bad publicity about the affairs of some of the weaker institutions has led to a definite flight to quality in California, say local commercial bankers. Their core deposits have been growing rapidly as nervous savers have been moving their funds into more conservatively managed institutions.

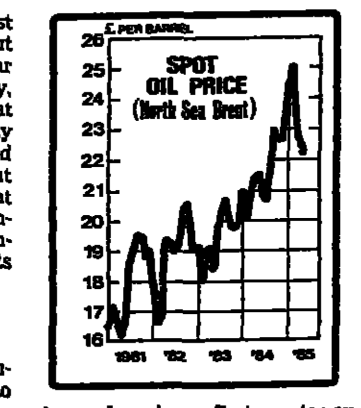
Federal regulators found that Beverly Hills' books were in disarray and it had put much of its money in speculative investments, which were poorly underwritten. The regulators have appointed a new board of directors and converted the state chartered institution to a federally chartered mutually *owned savings and loan.*

Federal regulators denied that they had effectively nationalised the troubled savings bank. They said that their action was a temporary move until a buyer could be found for the group.

THE LEX COLUMN

Sterling over a barrel

Having ridden the storm of last week's economic statistics without too much of a drenching, the dollar is now looking remarkably healthy, and there seems to be a feeling that pessimism about the U.S. economy has been *slightly* overdone. Buoyed up by Mr Volcker's implication that he is in no hurry to cut the discount rate, the dollar has gained 11 pfennigs in two days. Sterling, meanwhile, is looking nervously over its shoulder at the oil price.



Oil prices

The second Thatcher Government has until recently been able to take a rather cavalier approach to short-term weakness in the price of oil since, whatever happened to dollar values, the sterling equivalent went nowhere but upwards. *It* may, however, be viewing the present signs of weakness in the oil price with less than equanimity.

The current softness in forward prices for North Sea crude has been quite enough to persuade the bears to round up the usual seasonal arguments for price weakness in the second quarter, even if the underlying trends look much the same today as two weeks ago. But the sterling price has already fallen far enough to make the revenue assumptions of the budget look more than usually short-lived. By the Treasury's exchange-rate sums, a sterling/dollar parity of $1.25 would probably cut North Sea revenue by about £1.3bn, leaving the out-turn closer to the £12bn assumed in the autumn statement than the £13.5bn forecast last month. If the dollar price of oil were to weaken as well, the Treasury would need to perform some very creative arithmetic.

Naturally, any signs of change from Opec or the Soviet Union are bound to cause jitters. While Opec seems to have stayed within or about its 16m barrels a day (b/d) *production ceiling in the first quarter*, its members are scarcely content with this state of affairs; any breaking out of the corset might enhance prices in the short term, since industry destocking would be delayed further, but an adjustment to 17m b/d could easily bring the *familiar* scrabbling for share. Dutch auditors are, after all, only Dutch auditors.

But the Soviet Union is most unlikely to try and make up all in one go a theoretical loss in foreign exchange from lower first-quarter exports. A lower Soviet price and Iranian crude at some discount or another would scarcely encourage a producer such as Egypt *to* keep up its price for equivalent blends. The Egyptian price cut is probably of no more significance than a weakness in May Brent, caused by some unsold cargoes left over at BNOC's demise.

The UK majors can now expect some improvement in their downstream margins from a lower dollar, but refining is such a competitive business that this is most unlikely to offset the loss in translation of upstream profits – let alone of Shell Oil and Sohio.

TSB Group

The compromise proposals offered yesterday by the TSB Group appear almost certain to overcome the objections of the Scottish lobby in the House of Lords to the flotation of the TSB as a single unit. Not that the proposals add up to much by way of tangible concessions. The undertakings on management representation do little more than formalise present arrangements, while the agreement of the Group board not to plunder the balance sheets of the regional banks without their consent is largely of theoretical value. The TSB is already undergeared and, after the flotation, will, if anything, suffer an embarrassment of capital. There is not, in the circumstances, much likelihood of the centre calling on the regions for funds.

So it may be that the Scottish peers have recognised that their last-minute amendment to the TSB bill was, while inspired by the noblest of motives, a little short on logic. There is certainly no analogy to be drawn between the Royal Bank of Scotland (RBS) takeover and the flotation of the TSB. In the RBS case, the argument was for preserving the bank's independence in order to protect Edinburgh's position as a national, as well as purely Scottish, financial centre.

There is no such argument over the TSB. Indeed, at a time when both RBS and Bank of Scotland are expanding south of the border, it would be perverse to insist on a separate identity for TSB Scotland and *so deprive* it of both capital and the opportunity for geographic expansion. The TSB has been strikingly successful in welding together 70 individual banks; it would be foolish to reverse the process at this stage.

John Laing

In what John Laing describes as a "tight" construction market, its 27 per cent increase in pre-tax profits to £30.3m for 1984 was due rather more to loss elimination overseas and to £2m extra of interest income than to much improvement in trad*ing. Even though the outcome* was no worse than expected, the market was not impressed: the shares lost 5p to close at 214p.

A geographical breakdown shows UK profits just inching up on higher turnover, while the overseas divisions have turned a £2.6m loss into a trading profit of £1.5m via better debt collection, slightly improved demand and a small nudge from exchange rates. All this has generated another £10m of cash to add to the £74m net surplus, but Laing seems to be in no hurry to go down the acquisition trail. It may just end up spending more on property through its resuscitated development company.

What seems to be emerging from construction companies is that, while they recovered very rapidly from the UK recession, markets have already become very competitive again and growth is now tailing off. Any improvement this year will probably come from housebuilding, where higher interest rates have apparently made no dent on demand so far; Laing hopes to sell 2,000 houses, compared with its *1,500 in 1984. But it is hard to see* how profits could do more than edge up, say, to £33m – which puts the shares on a prospective multiple of just under 6 and hardly undervalued at that.

Du Pont blames $ for poor earnings

By Paul Taylor in New York

MR Edward Jefferson, the outspoken chairman of Du Pont, the U.S. chemicals group, yesterday warned that the strong dollar and a flood of imports were seriously undermining U.S. manufacturing industry. At the same time, he launched a fierce attack on "persistent fiscal laxity" by the U.S. Government which he blamed for the "currency misalignment" and the resulting "worsening trade problem."

Mr Jefferson's remarks came as Du Pont reported sharply lower first-quarter operating earnings. The group also posted a big decline in net income, partly reflecting previously announced extraordinary charges totalling $157m, or 66 cents a share, after tax, to cover the costs *of an early retirement programme* and Du Pont Canada's decision to dispose of its 20 per cent stake in Petrosar.

The group said first-quarter operating earnings fell to $221m, while net income, after the special charges, dropped to $64m, or 26 cents a share, from $373m, or $1.55 in the year-ago period. Sales fell by 10.7 per cent to $8.26bn from $9.25bn a year earlier.

The extraordinary charges were $125m, or 53 cents a share, for the company's early retirement scheme, which resulted in an unexpectedly high 11,000 workers, or about 9 per cent of the total workforce, seeking retirement – a move which Du Pont says will produce annual after-tax savings of about $230m, or $1 a share, starting next year – and the $32m, of 13 cents a share, charge to cover the Canadian disposition.

Mr Jefferson said: "Excluding the unusual charges, first quarter results reflect continued weakness in the industrial sector of the economy. This contrasts with the robust economic growth experienced in early 1984 when Du Pont achieved strong earnings.

"There has been no growth in the industrial sector of the economy since mid-1984 due largely to the abnormal strength of the dollar and the resulting increasing flood of imports which are now affecting, directly or indirectly, almost every domestic manufacturing industry. We have seen the impact of the strong dollar on most of our business segments in the form of constrained volume plus price erosion in domestic and international markets."

Du Pont detailed the impact of these factors on its major business areas. After-tax operating income for its diversified industrial and speciality businesses fell by 40 per cent, earnings in the energy sector fell 20 per cent, while the company said weakness in the fibres, agricultural and industrial chemicals segments was "a major factor in the overall decline in earnings."

Mr Jefferson added: "Sharply rising imports and declining exports in the first quarter have impaired the industrial sector of the economy. The root of the worsening trade problem has been currency mis*alignment.*"

IG Metall in court action to prevent Opel hiving off unit

BY JOHN DAVIES IN FRANKFURT

IG METALL, the 2.3m strong West German metalworkers' union, is embarking on court action to try to prevent Opel, the car maker owned by General Motors of the U.S., hiving off its data processing operations, complete with 600 workers, to Electronic Data Systems (EDS).

EDS, a Dallas-based company, was bought by General Motors (GM) last year for $2.5bn as part of a broadening out into information technology and related businesses.

Despite rumblings from some employees, GM has been busily integrating the motor vehicle group's wide-ranging electronic data operations in the U.S. and elsewhere into a network under the EDS umbrella. An EDS subsidiary has been formed in Germany.

After much soul-searching, IG Metall claims that GM is not just harmlessly reshuffling its corporate structure but is gearing up to control key operations worldwide through computers. It also claims that EDS is anti-union and that splitting off some Opel employees into a "Texas oasis" in Germany would undermine their wages and conditions of work.

IG Metall has proposed that Opel simply give EDS a contract to look after its data processing. All employees and operations – ranging from personnel management to computer-aided design – would remain firmly anchored within Opel.

But the union says Opel insists on hiving off operations and has given workers until April 30 to transfer to EDS or face an uncertain career.

Although it recognises it is entering new terrain, IG Metall will now back court action, arguing that Opel cannot under German company law abdicate its responsibility to manage its operations. It will also argue that Opel is breaking the spirit of the law which allows workers a say in company supervision and that transfer of electronic data abroad could infringe German data protection laws.

There is one consolation. Although EDS has frowned on its workers elsewhere with an unshaven, casually dressed look, IG Metall says German employees have been assured they will not have to change their appearance – provided they are not in contact with outside clients.

Bonn suspends Pershing deployment

BY RUPERT CORNWELL IN BONN

ALL FURTHER deployment of U.S. built Pershing 2 missiles in West Germany has been suspended to allow correction of the fault which caused the fatal accidental ignition in January of one of the rockets at an American military base near Heilbronn, north of Stuttgart.

This was disclosed last night by Herr Alfred Biehle, chairman of the Bundestag's Defence Committee, after presentation of the official report on the disaster of January 11, in which three U.S. soldiers were killed and a further 16 injured.

The report's findings were submitted yesterday to the Cabinet. Later Herr Manfred Wörner, the Bonn Defence Minister, and Mr John Ambrose, the U.S. Army Minister, explained to the committee that the accident had been caused by a sudden discharge of static electricity into the fuel contained in the Pershing's engine stage made worse by the very cold and dry weather at the time.

Deployment of the first Pershing 2 missiles, each of which carries a single nuclear warhead, began in West Germany immediately after the Bundestag gave its approval in November 1983. West Germany is scheduled to take 108 Pershings in all, around half of which are understood to have already been installed.

The necessary modifications, including improved earthing and better insulation of the fuel component of the rockets, could be completed in time to allow deployment to restart "in a few weeks," according to Herr Wörner.

Herr Biehle stressed that the suspension implied no decision to end deployment – as the Soviet Union has proposed. Work has started on modifying Pershings already in Germany.

His reassurances did not satisfy the opposition Social Democrat (SPD) members of the committee, whose party is against all Nato deployment of cruise and Pershings in Western Europe. The Free Democrats (FDP) also cast doubt on the reliability of the missile last night.

● **Reuter adds from Washington:** The U.S. Defence Department said that neither the rate of deployment nor the plan to site 108 Pershings in West Germany by the end of 1988 would be affected by the accidental fire. It said missiles on the production line had been modified and those already in West Germany would be modified on site.

EEC aid plan for overseas territories

THE European Commission announced details yesterday of a new five-year, Ecu 100m ($75m) trade and aid package for French, British and Dutch overseas territories, **Reuter reports from Brussels.**

The package, which has to be approved by member states before coming into force at the beginning of 1986, runs parallel to the latest Lomé trade and aid pact signed in December between the EEC and 66 independent developing countries.

Like Lomé, it gives the countries aid, subsidised loans and special access to Community markets for certain exports.

Under the deal, Ecu 27m will go to the group of French overseas territories, including New Caledonia and Mayotte, and a similar amount will be split between the Netherlands' six Caribbean islands possessions.

British colonies, including the Falklands, Montserrat and the Cayman Islands, would get Ecu 9m between them, officials said.

A further Ecu 37m will go on other projects including mineral and agricultural price support schemes, emergency aid and regional co-op*eration agreement.*

Swiss executives lead pay league

BY MICHAEL DIXON IN LONDON

SWISS chief executives are the highest paid managers in Europe, according to the latest survey by the Brussels-based Executive Compensation Service, part of the Wyatt consultancy group.

The Swiss chiefs average total money earnings of £75,018 ($91,897) at current exchange rates, plus perks such as company cars valued at £11,759 a year. West German managing directors come second with £60,538 in money and £7,495 in other benefits, and their French counterparts third with £54,586 and £3,994.

UK chief executives, averaging £43,700 plus £7,940, come seventh among the nine countries in the survey. The only chiefs who are paid less on average are the Spanish, with £38,637 plus £3,860, and the Portuguese, with £12,273 plus £1,759.

The survey also shows that Britain places a lower value than any of the other eight nations on its top industrial engineers, despite complaints by the British high-technology industry of damaging shortages of key engineers.

Another study by Inbucon management consultants, also published today, shows that a manager paid £23,000 in Britain would need the equivalent of £50,550 at current exchange rates to keep up the same living standards in Japan.

The corresponding requirement would be £48,800 in Saudi Arabia and £37,166 in the U.S., except the West Coast where the figure would be £27,785. But the same standards would now be possible in Singapore at only £20,214.

Jobs column, Page 11

EEC budget for farm spending

Continued from Page 1

second reading by ministers at the end of May.

France argued for an agreement that the budget ministers would finance any extra money required, depending on the outcome of the current deadlock in the Farm Council. Britain and the Netherlands, on the other hand, were adamant that any extra finance must now be *found from extra savings.*

The European Parliament budget committee yesterday began its consideration of the outcome.

Ivo Dawnay in Brussels adds: Herr Helmut Kohl, the West German Chancellor, would lend his full support to a German veto on any plan to cut EEC cereals prices, it emerged yesterday.

The Chancellor unequivocally *backed the veto threat of Herr Ig*naz Kiechle, his Farm Minister, at an unreported background briefing of West German journalists at the Brussels summit last month.

The issue of cereals price cuts – opposed only by West Germany – will head the agenda yet again when farm ministers resume talks on a comprehensive prices package for 1985-86 in Luxembourg next week.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	17	63	Dubrovnik	S	17	63	Malaga	F	17	63	Salzburg	Sn	3	37
Akrotiri	S	21	70	Faro	F	15	59	Malta	S	20	68	Seoul	S	19	66
Algiers	C	19	66	Florence	C	16	61	Manila	C	33	91	Singapore	R	29	84
Amsterdam	S	9	48	Frankfurt	S	7	45	Miami	C	26	79	Stockholm	F	8	46
Athens	S	20	68	Funchal	F	18	64	Milan	F	16	61	Strasbourg	S	9	48
Bahrain	S	27	81	Geneva	C	8	46	Moscow	C	20	68	Sydney	R	15	59
Bangkok	C	32	90	Gibraltar	C	17	63	Munich	C	3	37	Taipei	S	30	86
Barcelona	F	16	61	Guernsey	S	9	48	Nairobi	-	—	—	Tangier	T	11	52
Beirut	S	23	73	Helsinki	S	7	45	Naples	F	17	63	Tehran	-	—	—
Belgrade	F	19	66	H. Kong	S	26	79	New Delhi	S	36	97	Tel Aviv	S	29	84
Berlin	S	8	46	Innsbruck	F	4	39	New York	R	19	66	Tenerife	C	19	66
Biarritz	S	16	61	Inverness	C	10	50	Nice	S	16	61	Tokyo	T	18	64
Blackpool	S	8	46	Istanbul	S	18	64	Oporto	F	16	61	Toronto	C	20	68
Bordeaux	C	12	54	Jersey	S	8	46	Oslo	F	9	48	Tunis	S	25	77
Brussels	S	8	46	Jo'burg	S	24	75	Paris	S	10	50	Valencia	F	15	59
Budapest	F	13	55	Las Palmas	C	18	64	Prague	C	3	38	Venice	F	16	61
B. Aires	C	23	73	Lima	S	23	73	Reykjavik	C	6	43	Vienna	C	6	43
Cairo	S	34	93	Lisbon	F	13	55	Rio de J'o	C	30	86	Warsaw	R	3	37
Cape Town	S	19	66	Locarno	S	18	64	Rome	F	18	64	Zurich	S	6	43
Caracas	R	28	82	London	S	11	52								
Casablanca	R	14	57	Los Angeles	S	29	84								
Copenhagen	C	7	45	Luxembourg	S	6	43								
Corfu	S	20	66	Madrid	S	9	48								
Dublin	S	11	52	Majorca	F	19	66								

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder H-Hail

Multinationals 'may quit Europe'

Continued from Page 1

pean Community was starting to take up the technological challenge.

He noted that Esprit, the EEC's strategic programme in information technology, was getting off the ground, although its financing was modest compared with that of U.S. and Japanese programmes.

Dr Beckurts warned against im*porting American and Japanese* models of technological innovation and trying to apply them, haphazardly in the European context. European industry had to innovate and rejuvenate in a way which took account of its own special strengths and weaknesses.

Count Albrecht Matuschka, chairman of the Matuschka group, an independent West German-based financial services concern, also warned against a Europe copying the U.S. and Japan. He saw Europe's diversity of skills, languages and cultures as a significant strength, which, when properly channelled, would give a vital edge *against the competition worldwide.*

An optimistic note was also struck by Mr Percy Barnevik, chairman of Asea, the Swedish-based electricals group, which has had marked success in developing industrial robots.

He pointed out that Asea had decided to put its head "into the robot lion's den" of Japan in 1982, and was now busy expanding production there. Asea felt that with the toughest competition in world robotics coming from Japan, it was advantageous to tackle it on the spot.

The two-day conference was opened *by Dr Franz Josef Strauss,* prime minister of Bavaria, who praised the role of the multinationals, despite the activities of a few "black sheep" in past decades. He also appealed for a "new frontier" spirit to advance technology and create jobs.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday April 25 1985

Flat profits in quarter for Nabisco Brands

BY OUR FINANCIAL STAFF

NABISCO Brands, the major U.S. foods group, yesterday reported flat first-quarter net earnings of $56.5m against $56.2m a year earlier.

On a per share basis, earnings rose 10 per cent from 88 cents to 97 cents, on lower shares outstanding. Operating pre-tax profits rose 11 per cent to $114.2m, but a $6m gain from the sale of the Canadian Chase & Sanborn trademarks boosted the final net figure in the 1984 quarter.

Sales in the latest quarter fell from $1.44bn to $1.35bn, reflecting the divestiture of Van Nelle, a Dutch subsidiary, and the impact of the strength of the dollar on foreign sales, which were "sharply lower."

However, international earnings showed good gains, led by advances in the UK after rationalisation and modernisation programmes. Earnings were lower in Continental Europe, while operating profits in Latin America registered "good improvement."

In the U.S., Nabisco reports "excellent gains" from sales of biscuit products, with healthy volume growth for many key brands. Benefits came from the completion of the nationwide distribution of Almost Home Cookies in late 1984, and Chewy Chips Ahoy Cookies in the first quarter of 1985, and strong marketing support for Ritz and other crackers.

U.S. confectionery and snack products posted slightly higher earnings on lower sales in the first quarter. The national introduction of Bonkers Fruit Candy was completed in the quarter, and Planters Nuts are being aggressively marketed, the company said.

Grocery products reported a good increase in earnings on sales comparable to year-earlier levels.

Chicago-based Beatrice Companies, which also has significant non-food operations following last year's acquisition of the diversified Esmark group, saw net profits slide to almost break even in the final quarter of the year ended February.

Operating earnings emerged at only $2m, against $78m a year earlier. However, a $177m gain on disposals, compared with $55m last time, took final net earnings to $179m or $1.90 per share.

This left full-year earnings up 11 per cent at $479m or $5.06 a share, against $433m or $4.23. Sales jumped from $9.33bn to $12.6bn in the year, and from $2.2bn to $3.4bn in the quarter, reflecting the Esmark acquisition.

The company blamed higher marketing costs and the absence of divested operations for the setback in the final three months.

In contrast earnings were up at Sara Lee, the Chicago-based confectionery and cakes group. Net profits in the third quarter jumped from $43.3m or 75 cents a share to $48m or 84 cents, taking nine-month earnings to $146.1m or $2.54 a share from $130.9m or $2.25.

Sales rose from $1.68bn to $1.95bn in the third quarter.

Net income at Dart & Kraft, maker of Duracell batteries and Tupperware as well as processed cheese and dairy products, slipped $7m to $100.8m in the first quarter on sales down 2.9 per cent at $2.34bn. Because of share purchases earnings per share were ahead at $2.09, against $1.97 a year earlier.

Roche to pay compensation

BY TONY JACKSON, CHEMICALS CORRESPONDENT, IN LONDON

ROCHE, the Swiss-based pharmaceuticals company, is to pay an undisclosed sum in compensation to the family of a 21-year old Welsh student who died last year after taking part in trials of a new tranquilliser. Roche said that the payment was on humanitarian grounds, and represented no admision of liability.

Phillip Jones, a medical student, died in July 1984 after taking part as a healthy volunteer in trials of Midazolam, an injectable anaesthetic in use in the UK, Switzerland and West Germany. The cause of death was aplastic anaemia, a rare condition which attacks the bone marrow. Various drugs, including antibiotics, have been implicated in individual cases of the disease in the past.

An inquest jury returned an open verdict on the death yesterday, and Roche announced immediately that it would pay compensation. The company said "we are very sorry indeed about the death of Mr Jones. This is the only case of aplastic anaemia which has been reported with Midazolam during six years of investigation and usage. Some 2m people have received the drug in that time. We believe therefore that it is most unlikely that the drug played any part in Mr Jones's death."

Midazolam is an injectable anaesthetic used as a sedative before and during minor operations. Under the name of Dormicum, it has been on the Swiss market since 1982, and has been used in the UK under the Hypnovel name since 1983.

The drug is a short-acting benzodiazepine, related to such common tranquillisers as Librium and Valium, both also produced by Roche. It was launched in New Zealand in 1983 and in West Germany in 1984.

Mitel stages strong revival

By Our Toronto Correspondent

MITEL, the Canadian telecommunications equipment maker, edged back to profitability in the three months to February 22, with a net income of C$64,000 ($47,400), compared with a C$25.2m loss a year earlier.

After preferred share dividend payments, the loss per share was cut from 66 cents to 2 cents.

Mitel suffered a loss of C$32.1m, or 98 cents a share, for the fiscal year to February 22, almost unchanged from the C$32.4m, or 85 cents a share, loss in 1984.

Although a seasonal decline in sales is likely to produce another loss in the current quarter, the company pointed to an improving trend in several facets of its operations, which is expected to continue later this year.

Revenues advanced from C$71.8m in the first quarter of fiscal 1985 to C$107.5m in the latest three months. Inventories have fallen by 20 per cent to C$134.7m

Recent losses have stemmed mainly from the high cost of developing Mitel's new SX-2000 voice and data switching system.

Western Union shows deficit

By Our New York Staff

WESTERN UNION, the U.S. telecommunications group, which ran into serious liquidity problems at the end of 1984 when a $100m bank credit line was cancelled, has registered a $15.3m first-quarter loss. But it says its cash picture had improved markedly since the end of last year.

The loss compares with net income of $14.1m in the same period last year – which includes a tax credit of $11.6m – and losses of $77.7m in the second half of 1984.

Pickens plans attack on Unocal defence strategy

BY WILLIAM HALL IN NEW YORK

MR T. BOONE Pickens, the Texas oilman pursuing Unocal, the West Coast U.S. oil company, returned to the attack yesterday and said he would try and stop Unocal's bid to buy back almost a third of its equity for a $3.6bn package of debt securities.

Mr Pickens said that the exchange offer, which excludes his 13.6 per cent stake, is illegal and that he was seeking to have the offer enjoined. He also moved quickly to correct the confusion which had arisen over remarks he made in Los Angeles on Tuesday, where he seemed to be suggesting that Unocal shareholders should accept the $72 per share being offered by the company for 50m of the company's 173.9m outstanding shares.

Wall Street was puzzled by these remarks since it appeared to mean that the likelihood of his $54 per share bid proceeding was reduced. In early trading yesterday Unocal shares fell $1½ to $47¼ in very heavy trading. Many leading oil analysts have been encouraging their clients to sell their Unocal shares in the market rather than wait for the result of the bitter takeover battle being waged between Mr Pickens and Mr Fred Hartley, Unocal's combative chairman.

Mr Pickens issued a statement from his Amarillo, Texas, headquarters saying that Tuesday's wire reports did not fully set forth his position.

He indicated that pending a court ruling on the validity of the offer, Unocal shareholders might wish to tender their shares to Unocal in order to protect the value of their investments in the event that Unocal purchased shares.

He again urged Unocal shareholders to vote for an adjournment of next Monday's annual meeting of Unocal. Because of the elaborate takeover defences constructed by Unocal, next week's meeting is very important for Mr Pickens. He would like it delayed for two months while he builds up pressure on Unocal's embattled board. If it goes ahead he will find it difficult to maintain the momentum of his attack.

Unocal also released first-quarter results on Tuesday showing a marginal $600,000 increase in net income to $180.7m. Higher profits from its important geothermal operations and foreign oil and gas operations were offset by lower domestic profits in oil and gas operations. The company earned $1.04 per share in the first three months of 1984.

Costs of new plant hit General Motors

BY TERRY DODSWORTH IN NEW YORK

GENERAL MOTORS, the world's largest car company, reported profits down 34 per cent in the first quarter, partly as a result of costs incurred on new plants and products, as reported briefly yesterday.

Analysts had been expecting a decline in profits after the exceptionally strong surge in the company's performance last year, but the fall was more than expected.

Earnings amounted to $1.07bn, or $3.26 a share, against $1.61bn, or $5.11 a share, while revenues rose by 5.6 per cent to $24.18bn from $22.89bn. Profit margins on sales declined to 4.4 per cent this year compared with 7.1 per cent in the same quarter of 1984.

General Motors insisted that its "basic earning power" remained strong. It was optimistic for improvements as the year progressed, and intended to press ahead with its reorganisation and major investments in integrating modern technology into its design and manufacturing process.

General Motors' market share in the U.S. has been under considerable pressure over the last few months, dipping by about 3 percentage points to 42 per cent since the autumn. Some of this decline, however, is attributed to a decline in stocks caused by its long strike last year.

It also stressed that the cost of its new programmes included expenditure related to accelerated training for employees in new investments.

Steinberg wins Tiger board seats

By Our Financial Staff

TIGER International, the freight forwarding group which has been suffering heavy losses, has nominated Mr Saul Steinberg, its biggest shareholder, and Mr Stephen Peck, a Steinberg associate, to its board of directors.

The move appears likely to head off the proxy battle threatened by Mr Steinberg and his company, Reliance Financial Services, for Tiger's entire nine-member board after the company had rejected his demand to add four directors to represent his interests.

Mr Steinberg, a prominent figure on the Wall Street takeover scene for many years, has been stalking Tiger International since 1982.

Tiger has reported losses of $4.7m on virtually steady sales of $270m during the first quarter.

Loss rises at Domtex as imports take toll

By Bernard Simon in Toronto

DOMINION TEXTILE, Canada's largest textiles manufacturer, suffered increased losses of C$4.7m (U.S.$3.6m) or 37 cents a share in the three months to March 31. The company's losses in the first nine months of its financial year totalled C$8.7m or 61 cents a share, compared with a profit of C$15.2m, or C$1.04 a share, in the nine months to March 1984.

Sales fell to C$187.7m in the latest quarter from C$208.7m a year earlier.

Mr Thomas Bell, group president, said that heavy clothing and textile imports in the U.S. and Canada had continued during the early part of this year, making serious inroads into apparel fabrics and sales yarn markets. He said that no "significant" upturn in the company's North American sales can be expected during 1985.

Mr Bell said the results were buoyed by the improved performance of Domtex's foreign subsidiaries, which include operations in Britain, West Germany, France and Hong Kong.

Canadian clothing and textile manufacturers have asked the Government to tighten bilateral restraint agreements with exporters in the Far East and Latin America. According to Mr Bell, a "more orderly" inflow of imports is "essential if any degree of market stability is to be achieved."

Joint venture for DSM

AMSTERDAM – DSM, the Dutch state-owned chemical company, is in talks with Toyo Soda Manufacturing of Japan for the establishment of a 50–50 joint venture to produce and market in Europe aspartane, a low-calorie sweetener.

AP-DJ

INTL. COMPANIES & FINANCE

Call for flexible powers in HK banking regulation

BY DAVID DODWELL IN HONG KONG

MR ROBERT FELL, Hong Kong's Banking Commissioner, yesterday called for wider discretion and more flexible regulatory powers as part of major banking reforms likely to be enacted before the end of this year.

Addresssing the Hong Kong Deposit-Takers' Association in public after two months of consultation with bankers behind closed doors, Mr Fell insisted that the diverse activities of the territory's 140 banks and 350 deposit-taking companies made it essential for the commission to impose separate requirements for such things as capital adequacy, comfort letters and liquidity ratios.

"I do not see how an average set of requirements fits the very varied profile of business we experience in Hong Kong," he said. "Ability to meet changing needs will at the end of the day need some discretion."

While retreating from any suggestion that Hong Kong-based banks should in future reveal their secret inner reserves, Mr Fell insisted that they would in future be expected to treat inner reserves in a uniform way, and suggested that the trends of inner reserves "must be made clearer."

Consultation with the territory's bankers is expected to end shortly, with written submissions from them expected to be in the hands of the banking commission by the end of this month. A new — and single — banking ordinance will then be drafted over the summer months to replace the two existing ordinances separately covering banks and deposit-taking companies. The proposed new ordinance should go before the Legislative Council in autumn.

● The Hong Kong Government announced yesterday that Mr David Nendick, deputy chief of the banking department of the Bank of England, will be seconded to Hong Kong in September to become the territory's new Secretary for Monetary Affairs. He will replace Mr Douglas Blye, who has held the post for the past nine years, and plans to retire at the age of 61 in April next year.

Mr Nendick will return to the Bank of England in three years. Working with him as the new deputy secretary will be Mr Joseph Yam Chi-Kwong. He replaces Mr Tony Latter, who has just returned to the Bank of England after a three-year secondment.

Pressure on margins limits rise at AGC

By Lachlan Drummond in Sydney

AUSTRALIAN Guarantee Corporation, the country's biggest finance company, saw earnings growth restrained to a 3.4 per cent rise to A$51.75m (US$33.6m) for the six months to March as a result of pressure on margins in an increasingly competitive financial market.

In a market relatively flush with funds but with no dramatic increase in demand, competition for business has been fierce, with the result that AGC's return on average net finance outstandings fell from just under 2 per cent to around 1.8 per cent.

Earnings growth came only because of the [illegible] in outstandings from A$5.14bn to A$5.82bn year-on-year, a rate of growth that slowed to 4 per cent from September to March.

The first-half profit for AGC, which is 76 per cent owned by Westpac Banking Corporation, also reflected a A$2.1m reduction in returns from its insurance subsidiary and the fact that a larger than normal proportion of earnings will fall in the second half because of a concentration of income-producing loan settlements in the September period.

The cut in margins came almost exclusively from lower lending rates, which fell to a greater degree than did borrowing rates. Overall gross income for AGC [illegible] from A$592m to A$622m, while interest costs were A$28m higher at A$333m.

Pre-tax profits were actually lower at A$85.9m against A$90.64m, although this reflected a shift to lending via preference shares, which produced a lower gross return than interest but, as the lower tax charge of A$32.9m against A$39.34m suggests, provide a similar net return.

After deducting preference dividends of A$6.73m to Westpac, profits per share, on capital increased by a one-for-ten scrip issue, were 16.8 cents against an unadjusted 17.8 cents from which an unchanged 5.5 cents a share dividend will be paid on the increased capital.

Alfa Romeo seeks joint venture partner in Japan

BY JOHN GRIFFITHS

ALFA ROMEO, the Italian state-owned car producer, is seeking a joint venture partner to establish an import network in Japan, where it hopes eventually to sell 6,000 to 7,000 cars a year.

Alfa officials, during the unveiling in Milan this week of the company's new 75 sports saloon, said firm negotiations had yet to start and declined to name any potential partners involved. But they indicated that it was intended to use Japan as a base to seek sales throughout the Far East region.

At the same time, they made clear that continuing collaboration with Nissan, with which Alfa jointly produces a small hatchback, the Arna, will remain an important element in Alfa's efforts to increase sales and restore profitability after 11 consecutive years of losses, which last year reached L97.8bn ($49.3m).

The current Arna, which uses Alfa mechanical components in Nissan's Cherry bodyshell, is to be replaced, at low cost, in about 18 months by a model which will still use a Nissan-supplied floorpan and other components but with body panels which will give the Alfa car its own distinctive shape.

The collaboration is being continued despite the fact that output of the Arna is down to about 25,000 units a year, compared with the 60,000 originally envisaged. Alfa officials say that without the Arna helping to fill out still-under used capacity at the company's southern Pomigliano plant, the other model built at the plant, the 33, could not continue to be produced profitably.

About 100,000 of the 33 models were built last year, and Alfa hopes that the eventual Arna replacement will provide enough sales outside Italy to take up some at least of the 40,000 units a year spare capacity at Pomigliano.

Alfa expects to make another sizeable loss this year—though less than that of 1984—and does not expect any substantial improvement until next year when both its also recently launched 90 saloon and the new 75 model will be fully available.

The company hopes to reach peak sales of 80,000 units a year of the 75 model after it goes on sale later this year. It has engine capacities ranging between 1.6 and 2.5 litres and is to have its sporting image strongly promoted.

Earnings setback for Allied Mills

By Our Sydney Correspondent

ALLIED MILLS, the Australian bread and margarine group at the centre of a multi-cornered takeover tussle until earlier this month, has reported a 35 per cent slide in net earnings for the six months to February, its worst half-year return for four years.

The drop in profits from A$11.09m (US$7.21m) to A$7.23m leaves the group with an uphill struggle to achieve the full-year forecast of A$20.5m produced in the heat of the take-over battle and which in any case represents a 10 per cent decline from the previous full-year total.

Directors have attributed the collapse in earnings, which before tax were halved to A$10.1m, almost entirely to a price war among the three competitors in the Australian margarine market, where Allied had held a 48 per cent share. Margins had now been substantially restored and market share had improved, it said.

Its bread operations substantially reduced losses and an increase in the Government-controlled bread price in Sydney is expected to help in the second half.

Its new venture in the Californian margarine market increased its volume in the half-year but losses continued and were aggravated by translation into weaker Australian dollars. This investment is under review.

Sales improved by 8.8 per cent overall to A$346m while profits were struck after A$2.3m increase in interest charges to A$7.9m

Allied is now 36 per cent owned by Arnotts, the dominant Australian biscuit maker, which boosted its holding from 15 per cent in a defensive take-over offer designed to prevent Allied, which owns 20 per cent of Arnotts, falling to a rival bidder, Industrial Equity (IEL).

INTERNATIONAL COMPANIES AND FINANCE

ENI deficit plummets to L88bn

BY JAMES BUXTON IN ROME

ENI, the Italian state energy company, yesterday announced a dramatic reduction in its deficit after three years of heavy losses.

Professor Franco Reviglio, chairman, said ENI had lost only L 88bn ($45m) in 1984, compared with a 1983 loss which ENI now puts at L 1,449bn.

Operating profit was L 2,798bn, compared with an operating profit of L 834bn in 1983. Sales were L 45,348bn, an increase of 18.4 per cent.

ENI, which includes the oil and gas company AGIP as well as a range of interests in fields including chemicals, engineering and mining, attributes its turnround to better performance by its crisis-ridden divisions (notably chemicals), better financial management and improved efficiency.

Prof Reviglio, a former finance minister who arrived at ENI just over two years ago to clear up the problems created by several years of mismanagement and questionable financial operations, repeated several times yesterday that "ENI has begun once again to create wealth."

ENI's biggest single division, which had sales of L34,736bn (up 17 per cent on 1983), saw profits rise from L736bn mainly to its ever lucrative natural gas operations and to petroleum activities overseas.

But results from the supply of petroleum to the Italian market showed a deterioration, ENI said. The sharply rising cost of crude oil imports as measured in Italian lire, falling domestic demand and the high cost of refining in Italy resulted in ENI losing about L1,000bn on supplying 14.3m tonnes of crude to the Italian market.

This was despite the fact that ENI diversified its sources of crude and bought heavily on the spot market, instead of buying under disadvantageous long-term contracts.

Prof Reviglio pointed proudly to the sharp fall in losses by ENI's chemical division, headed by Enichem. Losses fell from L704bn to L180bn in 1984 on sales of L 6,192bn. Part of the improvement was due to increased demand and part to better management.

ENI's mining and metallurgical division saw sales rise 66 per cent to L932bn, but losses rose from L322bn to L356bn in 1984. ENI's engineering and services companies—including Saipem, Snamprogetti and Nuovo Pignone—again made profits, while its textile and textile machinery divisions between them lost L270bn, compared with losses of L297bn in 1983. Their combined sales totalled L763bn.

The group as a whole had an 80 per cent improvement in self-financing which reached L4,249bn in 1984. Thanks to the reduction and refinancing of foreign debt, ENI cut foreign debt servicing from L105bn to L454bn in 1984. Total debt servicing costs fell from L2,921bn to L2,332bn.

Bayer buys out venture partner, lifts dividend

By John Davies in Frankfurt

BAYER, the West German chemical and pharmaceutical concern, has increased its dividend on last year's earnings to DM 9 per share, from the previous DM 7. This keeps it in step with BASF and Hoechst, the country's two other major chemical groups.

Yesterday Bayer also said that it had reached agreement with Ciba-Geigy to take over the Swiss group's 50 per cent stake in troubled Schelde Chemie Brunsbuettel.

With total ownership, Bayer will continue to operate Schelde Chemie as an integral part of its other chemical works at Brunsbuettel in northern Germany.

Schelde Chemie suffered a severe setback last year with the decision to close a newly-built anthraquinone plant—to produce material used in making dyestuffs—because of technical and economic problems. Earlier this year Bayer had said it was in talks with Ciba-Geigy about dissolving their partnershp in the company.

Over the past two years the chemical concerns have recovered sharply from their reversals in 1982, with better domestic and export markets boosting the volume of sales and enabling them to use capacity more economically.

Bayer has already reported a 34 per cent rise in its worldwide pre-tax earnings to DM 2.9bn ($944m) last year, on sales 15.3 per cent ahead at DM 43bn.

The Bayer parent is also transferring DM 200m to reserves, compared with DM 150m the previous year.

Hoechst made world-wide pre-tax profit of DM 2.85bn, up 46 per cent, while BASF lifted group pre-tax earnings 50 per cent to DM 2.52bn.

Fujitsu in deal with Telefonica

BY DAVID WHITE IN MADRID

FUJITSU of Japan has signed an agreement to set up a majority-controlled joint venture to asemble medium-sized computers in Spain with the partly state-owned telecommunications group Compania Nacional Telefonica de Espana.

The framework agreement signed in Tokyo encompasses a range of products in the fields of electronic processing, data transmission, and office automation, both for the Spanish and the export markets.

The joint company, in which Fujitsu is to hold 60 per cent and Telefonica the remainder, will be created through the merger of the Japanese group's subsidiary, Fujitsu Espana — up to now principally an importer — with Secoinsa, a Spanish company in which Fujitsu Espana currently holds 25 per cent.

Telefonica, already a minority shareholder in Secoinsa, recently agreed with the state holding company INI to buy the latter's majority interest. Secoinsa has factories in Madrid and Malaga, and makes small computers, modems, screens and printers.

The agreement between INI and Telefonica separated Secoinsa from its Catalan subsidiary, Telesinca, which has passed into the hands of INI and is currently the subject of negotiation with the French state-controlled Bull group.

The Fujitsu deal is one of the main pillars of ambitious plans for the electronics industry in Spain, alongside a $200m microchip venture by American Telephone and Telegraph, and reinforces the role of Telefonica as a focal point of development in the sector. The AT & T deal is awaiting U.S. approval.

Telefonica said assembly of medium-frame computers at the new venture should begin "shortly."

The strengthening of Fujitsu's interests in Spain comes on the back of a wave of Japanese investment geared especially to Spanish integration in the EEC.

According to Japanese officials in Madrid, Japan's total investment of more than $200m in Spain is its highest in Western Europe, and the number of Japanese companies to have set up bases in Spain is second only to West Germany.

Saurer back in the black

By Our Financial Staff

SAURER, the Swiss engineering group which two years ago wrote-off the bulk of its capital in an effort to reduce debt has made a profit for the first time in five years.

Against a 1983 loss of SwFr 2m, the group has bounced back for 1984 with a net profit of SwFr 5.3m ($2.1m) after a 30 per cent increase in turnover to SwFr 556.5m. Saurer's losses in 1982 totalled SwFr 7.3m.

The company has pushed through a major reorganisation in recent years. In 1983 it cut capital by 80 per cent and bank creditors wrote-off SwFr 40.5m of debt. Saurer transferred its loss-making truck operation to a joint venture with Oerlikon-Buehrle and Daimler-Benz.

The company said the improvement for last year had been due to a recovery in textile machinery and to an order for vehicles from the Swiss army.

Fermenta to issue shares for KabiVitrum takeover

BY KEVIN DONE, OUR NORDIC CORRESPONDENT IN STOCKHOLM

FERMENTA, the rapidly expanding Swedish fine chemical and biotechnology group, is aiming to take over KabiVitrum, the Swedish state-owned pharmaceuticals company, through an issue of new shares to Procordia the state holding company.

The Swedish state will become a significant minority shareholder in the new group, which will create a third Swedish pharmaceuticals concern to rival the existing market leaders Astra and Pharmacia.

Together Fermenta and KabiVitrum will have annual sales well in excess of SKr 3bn ($336m) and a workforce of around 3,500. Astra had a turnover last year of SKr 3.9bn and Pharmacia SKr 2.85bn.

The deal involves one of the biggest disposals of a state company to the private sector in Sweden.

The boards of Fermenta and Procordia said yesterday that the managing directors of both companies had been given full backing to conclude negotiations on the merger.

Mr Refaat El-Sayed, Fermenta managing director, said the plan for a share issue directed to Procordia would be put to the company's annual meeting on June 7.

He refused to say what stake Procordia would gain in Fermenta and refused to release any financial details of the takeover.

Fermenta has been one of the star performers on the Stockholm Stock Exchange in the last 12 months. Its shares have jumped from SKr 85, the issue price last summer, to a current trading level of around SKr 325 per share — putting a market valuation on the company of some SKr 2.5bn.

Procordia said yesterday that ACO Lakemedel, the KabiVitrum division which manufactures and markets non-prescription drugs and personal hygiene products, would not be included in the deal with Fermenta. It accounts for around 19 per cent of KabiVitrum turnover.

KabiVitrum announced earlier this week that it had been forced to withdraw its most profitable ethical drug from the world market. The drug, Crescormon, accounted for almost 60 per cent of KabiVitrum sales of SKr 1.5bn last year.

Strong growth at Austrian Airlines

By Patrick Blum in Vienna

AUSTRIAN AIRLINES made a profit for the 14th consecutive year in 1984 on total revenue of Sch 6.562bn ($309m), up 15 per cent on 1983.

Gross profits before tax, allocations to reserves and provisions for depreciation almost doubled from Sch 350.2m in 1983 to Sch 673.5m.

The company, which is state owned, said the number of passengers carried went up by just over 6 per cent with a stronger increase of 7.5 per cent in scheduled passengers. The freight business also showed a marked upswing, rising by 18 per cent to just under 18,000 tonnes.

Success is prompting the company to have another look at the possibility of re-entering the market for long-haul flights. The company deliberatly pulled out of long-haul flights more than 10 years ago concentrating instead on medium- and short-range traffic, especially on the east European and Middle Eastern markets.

The company is studying the possibility of flying to the Far East and across the North Atlantic. Such a move would be welcomed by the Vienna Airport Authority and tourist organisations in Austria.

The airport authority believes that direct flights to the Far East would attract a considerable number of passengers, especially business travellers, to Europe, who may then be tempted to spend some time in Vienna.

Finnish energy group boosts turnover

By Olli Virtanen in Helsinki

NESTE, Finland's national oil company, reports a 36 per cent jump in turnover to FM 32.2bn ($4.95bn) for 1984. Net profit rose by 14 per cent to FM 70.6m.

Operating profits were actually lower and Mr Jaakko Ihamuotila, chairman, attributed the weaker performance to the high value of the dollar. Another problem was the requirement to compensate losses suffered by a Soviet oil company based in Finland.

The growth of turnover is mostly attributed to a 74 per cent increase in oil trading where turnover exceeded oil refining for the first time. The chemical side virtually doubled turnover to FM 3.2bn mainly through acquisitions.

Neste's refineries in Finland worked at a utilisation rate of 90 per cent last year. Neste refined 92 per cent of oil products consumed in Finland.

Crude imports from the Soviet Union accounted for 76 per cent of the total while the North Sea and the Gulf shared the rest. Oil product exports rose by 34 per cent to 2.2m tonnes. According to the annual report, revenues from exports and trading totalled at FM 15.36bn last year.

Natural gas imports from the Soviet Union last year were up 14 per cent.

Norcem sells shipping and service units for $32m

BY FAY GJESTER IN OSLO

NORCEM, the Norwegian industrail group which last year acquired Nordenfjeldske, a Trondheim ship and rig owning group, has sold the latter's shipping and service activities (including travel agencies, a Trondheim hotel, and catering interests) to the Kosmos shipping and industrial group for NKr 290m ($32.7m).

Norcem has never attempted to conceal the fact that it bought Nordenfjeldske mainly in order to acquire the company's offshore activities.

Norcem has a 92 per cent stake in Nordenfjeldske, which now has liquid assets of around NKr 570m—boosted NKr 120m by the sale of it shipping and service activities. NKr 170m of the purchase price was set off against debt.

N. AMERICAN QUARTERLY RESULTS

H. F. AHMANSON
Financial services

First quarter	1985 $	1984 $
Revenue	—	—
Net profits	36.5m	15.6m
Net per share	1.30	0.56

AIR PRODUCTS & CHEMICALS
Industrial gases, eqpt.

Second quarter	1984-85 $	1983-84 $
Revenue	487.7m	452.1m
Net profits	35.5m	36.6m
Net per share	1.17	1.19
Six months		
Revenue	993.2m	869m
Net profits	67.7m	70.6m
Net per share	2.22	2.28

AMDAHL
Computer equipment

First quarter	1985 $	1984 $
Revenue	177.8m	174.8m
Net profits	4.11	4.44
Net per share	0.09	0.09

AMF
Industrial/leisure products

First quarter	1985 $	1984 $
Revenue	237.9m	240.5m
Net profits	†4.6m	†1.6m
Net per share	†0.20	†0.06

†Loss

AVON PRODUCTS
Cosmetics, fashion jewellery

First quarter	1985 $	1984 $
Revenue	669.4m	725.6m
Net profits	23.1m	30.1m
Net per share	0.29	0.35

BELLSOUTH
Telephone service

First quarter	1985 $	1984 $
Revenue	2.27bn	2.48bn
Net profits	330.9m	279.4m
Net per share	1.10	0.93

BELL ATLANTIC
Telecommunications

First quarter	1985 $	1984 $
Revenue	2.04bn	1.96bn
Net profits	255.3m	236.4m
Net per share	2.56	2.44

BLACK & DECKER
Power tools

Second quarter	1984-85 $	1983-84 $
Revenue	403m	318.8m
Net profits	14.7m	23.1m
Net per share	0.29	0.49
Six months		
Revenue	906.1m	678.9m
Net profits	43.75m	49.8m
Net per share	0.86	1.05

BORDEN INC.
Foods, dairy and chemical products

First quarter	1985 $	1984 $
Revenue	1.07bn	1.09bn
Net profits	34.8m	33.9m
Net per share	1.33	1.22

BURLINGTON INDUSTRIES
Textiles

Second quarter	1984-85 $	1983-84 $
Revenue	769.1m	834.7m
Net profits	5.2m	32.5m
Net per share	0.18	1.16
Six months		
Revenue	1.26bn	1.61bn
Net profits	9.7m	62.1m
Net per share	0.34	2.16

CALFED
Savings and loans

First quarter	1985 $	1984 $
Revenue	17.9bn	14.9bn
Net profits	23.5m	21.1m
Net per share	1.02	0.93

COLECO INDUSTRIES
Electronics, toys and games

First quarter	1985 $	1984 $
Revenue	194.1m	186.1m
Net profits	27.4m	4.44m
Net per share	1.67	0.27

COMBUSTION ENGINEERING
Industrial eqpt.

First quarter	1985 $	1984 $
Revenue	715.5m	848.8m
Net profits	7.8m	11.6m
Net per share	0.23	0.35

COMMONWEALTH EDISON
Electric utility

First quarter	1985 $	1984 $
Revenue	1.2bn	1.2bn
Net profits	196.2m	192.5m
Net per share	0.93	0.97

CONSOLIDATED RAIL

First quarter	1985 $	1984 $
Revenue	808.2m	867.1m
Net profits	54.7m	90.9m
Net per share	1.53	3.16

CONTINENTAL TELECOM
Telephone company, business systems

First quarter	1985 $	1984 $
Revenue	578.7m	552.3m
Net profits	42.4m	45.1m
Net per share	0.58	0.62

COX COMMUNICATIONS
Broadcasting, cable TV

First quarter	1985 $	1984 $
Revenue	180.8m	160.3m
Net profits	16.5m	16.2m
Net per share	0.59	0.57

EATON CORPORATION
Transport, electronic products

First quarter	1985 $	1984 $
Revenue	909.2m	815.1m
Net profits	65.9m	59.8m
Net per share	2.01	1.85

EMHART
Machinery, hardware, chemicals

First quarter	1985 $	1984 $
Revenue	420m	461m
Net profits	14.1m	21.2m
Net per share	0.51	0.77

FRUEHAUF
Truck trailers, auto parts

First quarter	1985 $	1984 $
Revenue	637.0m	680.3m
Net profits	17.9m	17.5m
Net per share	0.90	0.88

GATX CORPORATION
Railcar leasing, shipping, storage

First quarter	1985 $	1984 $
Revenue	193.3m	193.7m
Net profits	9.1m	11.2m
Net per share	0.60	0.74

GENERAL SIGNAL
Instruments, control systems

First quarter	1985 $	1984 $
Revenue	447.1m	434.5m
Net profits	25.6m	24.5m
Net per share	0.90	0.86

GILLETTE
Toiletries, electric appliances

First quarter	1985 $	1984 $
Revenue	557.6m	523.4m
Net profits	38.8m	35.3m
Net per share	1.26	1.15

GOULD
Electronic products

First quarter	1985 $	1984 $
Revenue	348.3m	363.1m
Net profits	18.1m	20.9m
Net per share	0.41	0.46

G. HEILEMAN BREWING
Fourth largest U.S. brewer

First quarter	1985 $	1984 $
Revenue	280.1m	306.7m
Net profits	5.2m	10.3m
Net per share	0.20	0.39

HERCULES
Chemicals, plastics

First quarter	1985 $	1984 $
Revenue	638.4m	619.7m
Net profits	35.8m	47.7m
Net per share	0.65	0.86

KNIGHT-RIDDER NEWSPAPER
Newspapers, TV, books

First quarter	1985 $	1984 $
Revenue	296.9m	274.4m
Net profits	3.54m	1.12m
Net per share	0.44	0.41

KROGER
Supermarkets

First quarter	1985 $	1984 $
Revenue	3.82bn	3.63bn
Net profits	31.4m	18.8m
Net per share	0.70	0.42

LONE STAR INDUSTRIES
Cement, concrete, sand and gravel

First quarter	1985 $	1984 $
Revenue	160.0m	168.7m
Net profits	†14.2m	†18.2m
Net per share	†0.75	†0.97

† Loss

3M
Industrial, electronic, electrical products

First quarter	1985 $	1984 $
Revenue	1.90bn	1.87bn
Net profits	164.0m	175.0m
Net per share	1.42	1.50

MAPCO
Diversified energy

First quarter	1985 $	1984 $
Revenue	467.1m	543.4m
Op. net profits	26.2m	24.6m
Op. net per share	0.85	0.82

MAYTAG
Kitchen, laundry equipment

First quarter	1985 $	1984 $
Revenue	177.7m	177.3m
Net profits	18.3m	17.1m
Net per share	1.34	1.23

MCI COMMUNICATIONS
Telecommunication service

First quarter	1985 $	1984 $
Revenue	570.6m	474.7m
Net profits	40.4m	3.9m
Net per share	0.17	0.03

McKESSON CORPORATION
Retailer of beverages, drugs, health-care products

Fourth quarter	1984-85 $	1983-84 $
Revenue	1.24bn	1.09bn
Op. net profits	15.0m	13.5m
Op. net per share	0.85	0.72
Year		
Revenue	4.80bn	4.27bn
Op. net profits	64.2m	53.8m
Op. net per share	3.56	3.46

MIDDLE SOUTH UTILITIES
Utility

First quarter	1985 $	1984 $
Revenue	754.1m	740m
Net profits	135.5m	134.2m
Net per share	0.71	0.80

INTL. COMPANIES & FINANCE

Rapid growth of unit trusts puts new life into Italian finance

BY ALAN FRIEDMAN IN MILAN

ITALY'S under-developed financial system has got a winner. Despite the unimaginative nature of the country's 90 per cent state-controlled banking system, its small and volatile Milan Bourse, and its restrictive exchange controls, Italian finance is getting excited about the growth in recent months of newly authorised unit trusts.

The 23 operating unit trusts, some of them only a few weeks old, have already attracted 200,000 investors and L5,000bn ($2.5bn) in investment funds. The increase in March alone amounted to $700m and between the beginning of January and the end of March the flow of savings into unit trusts more than quadrupled the total. If forecasts prove accurate, then the 44 unit trusts likely to be authorised could net L10,000bn of funds by the year-end.

"The unit trusts have grown far beyond any predictions; this is a phenomenon which has given savers a new outlet for investing," comments Dr Alberto Milla, president of the Euromobiliare Investment Bank in Milan.

In a country which according to the Organisation for European Co-operation and Development (OECD) has the highest savings ratio in the world (22.7 per cent compared with Japan's 18 per cent)—and at the same time a limited range of investment opportunities—it is not hard to see why the new unit trusts are booming. Considering that capital gains on the unit trusts are tax-free to savers and that the goal is to provide a return which outperforms even tax-free Treasury bonds, it is not hard to understand the success of the new funds.

The growth of the unti trusts (which are open to Italians or foreign investors) has not only become the hottest development in Italian finance, it is also affecting shares on the Milan Bourse, which in the first quarter of this year saw an average price rise of 20 per cent.

Dr Ugo Sardelli, managing director of GenerComit, a new unit trust formed on a 50:50 basis by Banca Commerciale Italiana, Italy's second largest bank, and Generali, the biggest insurer, says the stock market boom can be explained only partly by the flow of unit trust funds.

At present, he notes, only 10 per cent or 15 per cent of the L5,000bn of unit trust funds are invested on the Milan Bourse. But given the small market capitalisation of the bourse, around $25bn (a 10th the size of the London Stock Exchange), a transfusion of L500bn can have quite an impact. The impact is even greater when one realises that most *funds go into only 20 to 25* actively traded shares out of the less than 200 quoted companies.

Dr Sardelli says the Milan stock market boom can be explained this way: around a third of the boom comes from the unit trusts, another third from increased foreign investment (from the U.S., UK, West Germany and Switzerland) and the rest from traditional speculation.

"In Italy we say that you play on *the bourse rather than* invest. The unit trusts are part of a drive to change this speculative mentality and help create a more sophisticated financial market in Italy," comments Dr Sardelli.

The Milan Bourse has not traditionally been a place for the small investor: dealings by the big players (banks, insurers and companies) tend to make investing in equities too dangerous. But the Consob stockmarket authority, 11 years after being formed, is starting to enforce regulations seriously. Companies coming to the Bourse finally need to offer consolidated and audited accounts, which was not always the case.

The problem in Italy has been that despite the leaps and bounds of industry in the last couple of decades, finance has until recently remained a clubby and under-regulated affair.

The new unit trusts, inspired by legislation passed in 1983, began operating last summer. The Government's objective was to attract small investors to the equity market and to help individuals accumulate capital for retirement. Although Luxembourg-based *Italian unit* trusts have been operating for a decade (and have around L5,000bn of funds), they have not caught the imagination of the average Italian family.

Until the new unit trusts opened for business in Italy, the average Italian was faced with limited choice—he could leave money on deposit in the bank, purchase government tax-free bonds, venture into the Milan Bourse or buy unquoted property investment funds such as the soon-to-be liquidated Europrogramme.

Dr Ugo Sardelli: "In Italy we say that you play on the bourse rather than invest."

In the first ten days of existence, the Banco di Roma's two unit trusts pulled in L258bn. The largest Italian unit trust, Arca, which is run by co-operative banks, attracted L1,294bn in six month. GenerComit found L400bn of funds less than four months after its start.

Here is how an Italian might see his investment options:

- The average yield on a share investment is 3 per cent.
- A bank deposit can pay between 8 per cent and 12 per cent interest.
- Tax-free Treasury bonds currently yield 13.5 per cent to 14.5 per cent.

*Thus, if the unit trusts pro*vide, say a 17 per cent nominal return (around 8 per cent after adjusting for inflation) the attraction is clear. The mix of investment in Government bonds and shares not only means the saver need not worry about coupon clipping and money management, but may realise the highest return on offer—free of capital gains taxes.

It is still too early to tell what impact the new unit trusts may have on current account bank balances, but one banker says that it will be worth watching the extent to which the new trusts are gaining liquidity at the expense of banks. But a L10,000bn total of unit trust funds at year-end would still be tiny when compared to the L429,200bn of family bank deposits in the system. In addition to family bank savings, L375,676bn is held in Treasury Bonds (L149,876bn by families and L225,800bn by industry), *according to the Bank of Italy.*

GenerComit says its goal is to achieve a 50-50 mix between investments in Government bonds and shares (at present 53 per cent of its L400bn is in Government bonds and less than 19 per cent in shares). But the lure of overseas investment is also attractive to unit trusts — under the law they may place up to 10 per cent of portfolios abroad without making the normally required 40 per cent *deposit on foreign investments.*

It would, of course, be wrong to hail the new unit trusts as a panacea for Italy's underdeveloped financial market. As Dr Sardelli admits, Italy "has a long way to go before we reach the level of sophistication of Britain or the U.S.." But the amazingly rapid growth of the unit trusts is already having a salutory impact on the stock market and shows every sign of developing still further.

For Italian finance the fresh liquidity will be useful. And for the small investor a new instrument is available.

BUSINESS LAW

A time bomb under your house

By A. H. HERMANN, Legal Correspondent

*LATENT DEFECTS, the sub*ject of a report* by the Law Reform Committee chaired by Lord Scarman — a report strongly criticised by the Royal Institute of British Architects (Riba)—are not something to be left to lawyers.

There may be a time bomb buried in the foundations of your house. Should it go off, it is likely to produce not a crack in the wall, a water leak, a collapsed ceiling, but also litigation, that could easily spread over 15 years and cost more than you can ever hope to get as compensation—which will anyhow come much to late to finance the necessary repairs.

Hidden defects, whether in buildings, other works or legal documents may be caused by *breach of contract, lack* of professional skill, negligence or other wrongful acts. They are probably bothering more people in England than anywhere else because house ownership is more widespread. Latent damage cases due to building defects outnumber all others by nearly 5 to 2 in England. And they cause extraordinary legal problems because, according to English law, the victim may sue for compensation only within six years from the time when *physical* damage occurs to the building, although it may not be discovered or reasonably discoverable until later. The defet which ultimately caused the *hidden* damage may have occurred even earlier.

The law is full of uncertainty because it is difficult to prove when the damage occurred: the plaintiff will argue that the defect in foundations led to structural damage during the last drought, even if this was 25 *years or more after the com*pletion of the building, while the architects or builders will maintain that the damage is of an earlier date and remained unnoticed, and certainly unclaimed in court, for more than six years.

The Scots approach is different, counting the period of limitation during which it is possible to sue from the time the plaintiff has, or with reason*able diligence could have, dis*covered the damage. This agrees with the continental approach, stated with classical lucidity in section 1489 of the Austrian (Maria-Theresian) Civil Code: "No action for damages can be brought later than three years from the time when the victim learned of the damage and who caused it, whether by breach of contract or otherwise. If the victim did not learn of the damage or who caused it, or if it was the result of felony, the right to sue is extinguished only after 30 years."

Because of the obvious unfairness of a law depriving those who suffer damage which remained hidden for more than six years of all remedies, judge-made law has moved towards starting the period of limitation at the point of discoverability. The Court of Appeal favoured this approach in *Sparham-Souter (1976/1 Q B 858)* but this was a deviation from the genial principle that the period of limitation runs from the accrual of the cause of action. Also, there was no "long stop," like the 30-year limit in the second sentence of s.1489, and the liability for undiscovered damage could run into perpetuity. The law was felt to be uncertain, unfair, and in some cases unenforceable. The Law Reform Committee was therefore asked in 1980 to recommend what should be the limitation period in negligence cases involving latent defects, *other than latent disease or in*jury to the person.

Before the Committee could make up its mind, the trend towards discoverability was completely reversed by the House of Lords in *Pirelli ([1983] 2 AC1)*. This made it clear that the six-year limitation period runs from the date of the damage, and not from the date of its discoverability, and that if the time runs against one owner, it also runs against all his successors in title.

In its report, presented to Parliament by the Lord Chancellor last November, the Committee tried to soften the harshness of the law in respect of *negligence cases generally,* not only in the building industry. It recommended that to protect the victim, the present period of six years from the date of damage should be extended by three years from the date significant damage was or could have been discovered. And to protect those who caused the damage by their negligence, there should be a "long stop," precluding the initiation of an action more than 15 years from the defendant's breach of duty.

These recommendations have now been bitterly attacked by the architects. In its criticism of the report published on April 11, Riba arguest that the 15-year *long stop is excessive,* indefinite as to starting point, breached by provisions for contributions of other parties and by exceptions made for fraud, deliberate concealment and mistake. "In practice the proposal will result in cases coming to trial more than 25 years after the events in dispute," they say. "Whatever small benefit may accrue to a few potential claimants and defendants is far outweighed by the added complexity and confusion of rules."

This criticism is difficult to refute. Should the recommendations become law, an architect, or another potentially liable person, would have to pay indemnity insurance premiums till the end of his days, and live until 102 to avoid defending claims arising out of work for *which he was commissioned* at the age of 60. But the alternative proposed by Riba is not very palatable, either.

Riba says that remedies for building defects should be recognised as a special case. *This seems reasonable.* The long stop period should commence with the completion of the building work. This would, no doubt, make the position of the parties much clearer. The long stop should be ten years, firm and final, with no extensions for contribution proceedings, as this period can be covered by a single insurance premium, payable at time the commission is accepted or the *work* is completed, according to Riba. This sounds well but may operate against the public interest.

The entire cost of the indemnity insurance would be passed on to the investor and the architect or builder would *be relieved of* a major incentive to deliver faultless work. True, notoriously unreliable architects and builders would probably be asked to pay higher premiums but these could be passed on without the investors realising the reason for it.

A better solution *might* be a three-year period of limitation from the date of discoverability with a long stop running from the completion for a period of 12 years during which the liability of the defendant would *start* to diminish gradually, say, after six years. During the second half of the period it would fall from 100 per cent to zero.

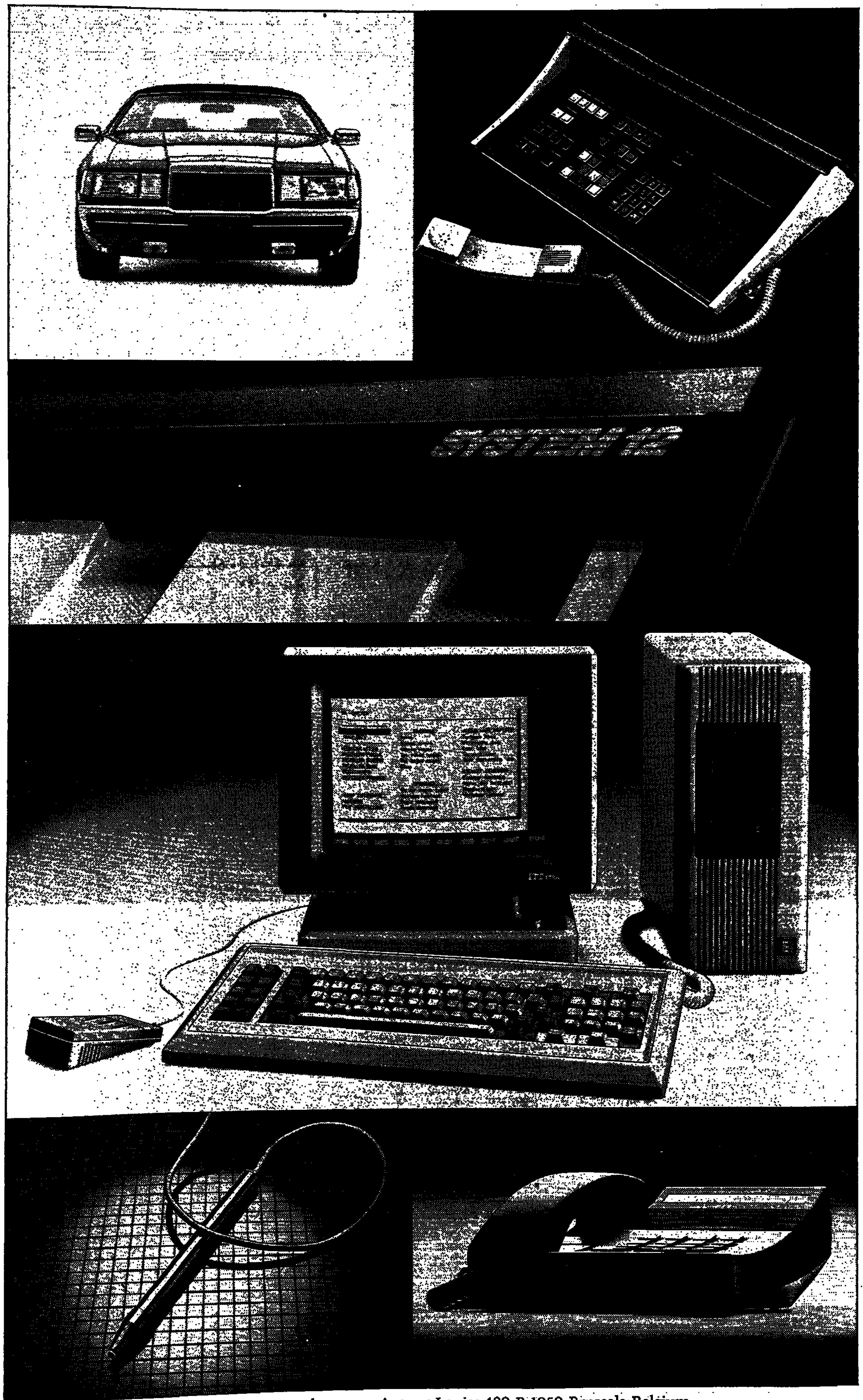
The protection of the investor or of the house owner could be *entirely separated* from the penalty on the negligent architect. Each building owner could be obliged by legislation to take insurance cover to enable him to finance repairs which became necessary within a certain period, say, 12 years from completion. He could continue voluntarily after that and would not have to go to law at all. The insurers could recover from the architect, if liable, under *his,* also obligatory, indemnity insurance *administered by Riba on* the model of the Law Society's indemnity insurance for solicitors. Disputes would be resolved exclusively by arbitration and premiums to be paid by individual architects would be related to the awards made against them.

The idea is certainly quite rough and unrefined. But in view of the lack of satisfactory proposals on the table, it might, I hope, spark off a profitable discussion.

** Law Reform Committee. 24th Report (Latent Damage). Cmnd. 9390. SO £3.75.*

† Letter addressed by Riba to Mr Mark Hatcher, Lord Chancellor's Department, March 29, 1985.

Can you find the ITT computer?



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Laing over £30m despite static returns from UK

John Laing, the construction engineer, yesterday reported its results for 1984 which at £30.3m pre-tax, aaginst £23.81m, were in line with most City estimates.

Nearly all of the increase stemmed from a £4.14m turnround to the black by overseas operations and higher investment income and net interest receivable of £6.28m, against £4.4m. UK activties turned in virtually unchanged trading profits of £22.47m against £22m.

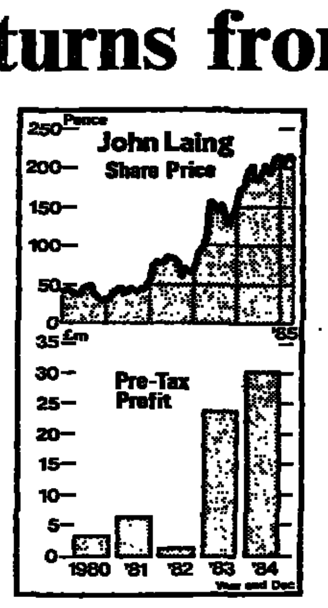
"Competition in the UK construction industry remains severe," says Mr L. J. Holliday, the chairman. But building and civil engineering activities "have performed well and have consolidated their premier position in the market."

Laing sold over 1,500 houses in 1984 and has become one of the leading builders in South East England and Scotland.

While profits were affected by entry costs itno the market for retirement homes and establishing a homes business in the U.S., the investment "has strengthened the basis for future profit and growth."

The property development activity, he says, continues to expand as forecast, and will contribute to profits in 1986.

Overseas operations, which contributed £1.54m, traded more satisfactorily, "although we have continued to assess profits conservatively because of difficulties generally prevailing in the Middle East."



Group turnover was up by £75m to £604m and generated trading profits of £24.02m (£19.41m); profits were split as to building and engineering £12.31m (£12.17m), homes and other development £8.47m (£8.31m), products and other trading £1.69m (£1.52m) and the remainder overseas.

The total dividend is being lifted by 20 per cent to 6p per share by a higher final payment of 4.25p against 3.75p. The dividend cover is again over five with stated earnings per share up from 26.6p to 31.5p.

Tax rose to £13.11m, against £9.38m, leaving net profits—after minorities—of £16.98m (£14.32m). After all charges (there were extraordinary debits of £2.15m in 1983), retained profits were £13.74m (£9.47m).

Net group funds in 1984 increased by £10m to £84m while investment in land and property development rose by £34m.

See Lex

Turriff misses profit forecast

Turriff Corporation, the builder and property developer, has missed a profits forecast made three months after its year-end because of a further provision on one particular contract.

Yesterday's announcement of a slump in profits for 1984 from £2.04m to £667,000 compares with a forecast of £1m made last month in a circular to shareholders outlining Turriff's intention to buy the remaining 51 per cent of Engineering Support Services within three years.

This is the largest reduction in profit for 10 years, and ends six years of steady growth from 1977's level of £1.06m pre-tax. The shares, which fell by 45p to 300p on last month's warning, shed 25p yesterday and closed at 280p, valuing Turriff at £12.3m.

Despite the decline the single final dividend is being held at 7p, although the payment is not covered with Turriff showing an attributable loss of £10,000, against a profit of £1.55m, after extraordinary debits.

"The poor performance in 1984 is entirely due to losses in our construction activities, in particular contracts entered into two or three years ago, now completed or nearing completion," says Mr W. G. Turriff, the chairman.

Last month, the company explained that the average life of major contracts was two years which made final accounting difficult, particularly in 1984 when the number of contracts actually increased.

Mr Turriff says the agreement of a number of final accounts and claims remains to be negotiated and should produce recoveries in the future.

"These could be substantial, although amounts and timescale," he says, "are difficult to forecast. It is a feature of the long-term contracting business that the outcome of contracts cannot be determined until claims arising have finally been negotiated."

Referring to the contract behind the missed forecast, he says that it is taking longer than expected to reach an agreement on the related claim, and completion costs are also higher than anticipated; the contract is virtually complete and the site will soon close.

He is confident the problems should not recur following management reorganisation and "positive control" of tenders and contrast execution.

"With the continuing extreme competition prevailing in general construction we are positively limiting our turnover and exposure, with refurbishment the dominant construction activity." Turnover in 1984 amounted to £69.41m (£61.78m).

Further construction offices have been closed which, together with provisions made last year for closures proved to be inadequate and the additional costs incurred, brought about extraordinary debits of £435,000 (£148,000).

Surplus funds, which were "exceptionally high" at the end of 1983, were reduced by the puchase of the other 50 per cent of Abelsons and the consolidation of its borrowings, together with the effect of construction losses and changes in working capital.

Net bank balances in hand at the end of 1984 were £1.6m, but, says Mr Turriff, "we expect to be cash positive at the end of 1985, subject to the purchase of property for development in the normal course of our business."

Dee to lift payout and sell Booker holding

By Alexander Nicoll

Dee Corporation, the supermarkets group, yesterday disclosed plans for a dividend increase which it was barred from revealing during its failed bid for Booker McConnell, the food distribution and agricultural and health products group.

Following the failure last Friday to capture a majority of Booker with its £357m bid, Dee confirmed yesterday that it plans to sell its 15.8 per cent stake in Booker. Mr Alec Monk, Dee chairman, said in a letter to shareholders that "this will be done at our convenience in a manner which will be of most benefit to Dee shareholders."

Dee sold over 4 per cent of Booker before making its bid, and said in its offer document that it was a potential seller of its remaining stake if the bid failed.

Dee's sale o fshares, and its statement that it might sell more if Booker's share price reached "unrealistic" levels, meant that it was barred from increasing the offer. The Takeover Panel effectively treated the terms as final.

A bidder whose offer is final may make a profit and dividend forecast, but cannot increase them. The Panel did allow Dee to alter its profit forecast from £56m to £64m for the year ending April 27, 1985, because the change was due to property gains which had been specifically excluded from the initial estimate.

It did not, however, let Dee alter its dividend estimate. It forecast a final dividend of 3.5p, making 5.75p against 4.75p for the previous year. This enabled Booker to contend that Dee's terms would produce a fall in income for Booker shareholders compared with its 1984 dividend and 1985 forecast.

Yesterday, Dee said it now expects to pay a final dividend of 5p, making 7.25p for the year, 53 per cent up on last year.

Mr Monk said sale of the Booker shares was expected to produce an extraordinary profit, and that the bid's failure had not harmed Dee's results or prospects.

Booker shares rose 5p yesterday to 250p, compared with the 259p average price at which Dee previously sold shares. Dee shares gained 6p to 226p.

Charles Batchelor examines RHP's £15m bid for Muirhead

Playing a different ball game

THE PATHS of two battered survivors of the British engineering industry's recession have crossed with yesterday's £14.8m takeover bid by RHP Group for Muirhead.

Muirhead is the latest block in RHP's 10-year-old effort to diversify out of its traditional ball-bearings business into the electrical engineering sector.

RHP, formerly Ransome Hoffmann Pollard, has built up a wide-ranging electrical business including industrial control equipment, capacitators, microelectronic circuits and photo electric devices and sensors by a series of acquisitions of companies considerably smaller than Muirhead.

The electrical side contributed £3m worth of pre-interest profits of RHP on turnover of £25m in the year ended September 1984.

This performance compares favourably with the £4m of profits RHP made from its £77m worth of bearings business. The much smaller fasteners business, making self-locking nuts, contributed profits of £500,000 on sales of £4m.

Mr David Ewart, RHP's chairman, believes a link up with Muirhead will broaden RHP's electrical base and give Muirhead the financial strength to develop its own products and markets more effectively.

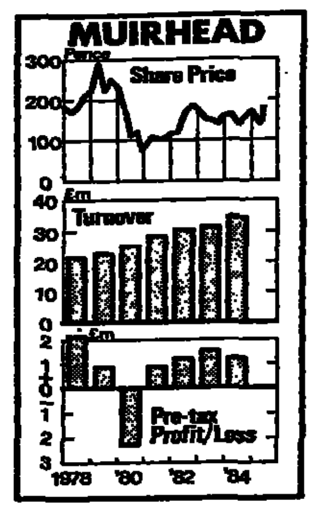
RHP was formed in late 1969 from three leading British-owned bearing manufacturers, Ransome & Marles, Hoffmann Manufacturing and Pollard. The merger was prompted by the Labour Government's Industrial Reorganisation Corporation following approaches first to Ransome and then to Pollard by SKF of Sweden, the world's largest ball bearing manufacturer.

The companies in RHP underwent a major reorganisation as the product range was rationalised and job numbers cut by one-third to 10,000.

Despite the growing contribution of the electrical engineering side in recent years, RHP's profits have remained highly volatile and there is no guarantee the sharp swings of the recent past are over. From a peak of £11m pre-tax in the year ended Septmber 1980 profits slumped to £700,000 in 1983 but recovered to £6.2m last year.

RHP now claims about 20 per cent of the UK ball bearing market putting it roughly on a par with SKF. Its strategy has been to go for higher value niche markets, avoiding commodity products. Precision products go into aero and automotive engines, robot systems and machine tools, and transmissions of agricultural equipment and conveyor belts.

Mr David Ewart, chairman of RHP, believes a link-up with Muirhead will broaden the group's electrical base



Sir Raymon dBrown, chairman of Muirhead . . . we have enjoyed reliable steady growth

Despite the rationalisation, RHP still makes 2,500 bearing types a year and carries stocks of 10,000 types, a range wider than any but SKF itself.

"Our ball bearing business is in thunderous good shape," Mr Ewart said. "We got our finances right then developed our commercial strategy under a new management team. We have begun to break into the North American aero engine market."

Muirhead's unimpressive profits performance over the past few years has made it a perennial bid candidate. Only in the past few months, however, has RHP surfaced as the possible suitor.

Until April 1984 Tyco Laboratories, a U.S. packaging and electrical company had been seen as the obvious bidder. Tyco had built up a 28.6 per cent stake in Muirhead over a five-year period.

But the early death of Mr Joseph Graziano, Tyco's chairman, brought in a successor who switched the company's focus to the U.S. domestic market and the Muirhead stake was sold to 25 UK institutions early last year.

RHP started looking at Muirhead in the summer of 1984, in particular at its Vactrim components business, providing half of Muirhead's turnover from precision components and servo systems.

RHP began buying Muirhood shares last autumn but backed off when the share price started to rise and Muirhead was late in publishing its 1984 accounts. When Muirhead's shares started to ease and with 4.6 per cent of its equity already under its belt, RHP took the decision to make a bid.

Muirhead is a one-time high flying stock which made its name as a manufacturer of advanced facsimile systems but which now makes 50 per cent of its sales in the field of precision electromechanical components and systems.

These include a system for the control of ship's stabilisers which is being installed in U.S. Navy frigates as well as components for the satellite monitoring the progress of Halley's Comet and for the Space Shuttle's experimental payloads.

Muirhead continues to supply a wide range of specialised facsimile systems to newspapers—it supplies most Fleet Street newspapers including the Financial Times — meteorological bureaux, airports, security services and armed forces.

It aims to invest between 7 and 10 per cent of its turnover—of £34.5m in the year ended September 1984—in research and development but it faces a struggle to keep up with tough international competition. In the view of some observers it has lost its technological edge.

Its experience in the office computer field has not been happy. In 1979 it went into a joint venture with Nexos, a company with the backing of the National Enterprise Board. But despite £30m worth of Government backing, Nexos went down in early 1982.

Latter that year Muirhead linked with OKI of Japan to distribute that company's document facsimile machines. With 13 facsimilie makers slogging it out in the crowded UK market pressure on margins has been very strong. Failure to establish an industry standard has held back the growth of facsimilie machines compared to entrenched rivals such as the telex.

Sir Raymond Brown, former chairman of Racal the electronics group, and chairman of Muirhead for the past 14 years, is philosophical about the bid for what he calls "a unique little company."

"We have enjoyed reliable steady growth with the odd hiccup," he said yesterday.

"We win much of our business by competitive tender in tough markets. Half our turnover goes to the defence industries. Unfortunately that market has been falling off and we are the small company at the end of the line which takes the brunt of it."

Micro Business second half lower than expected

SECOND half pre-tax profits of Micro Business Systems, microcomputers and terminals company quoted on the USM, were lower than expected, although figures for the whole of 1984 showed an 89 per cent expansion from £1.8m to £3.4m.

Turnover increased significantly in the second six months, up from £7.34m to £27.47m—total for the 12 months was £42.94m (£14.11m) — but second half profits at £1.66m (£951,000) were lower than expectations, the directors say, because of pressure on prices on dollar-sourced products, and continued pressure on margins in the UK microcomputer business.

They state, however, that even with the strong dollar and high interest rates experienced during the first quarter of 1985, the group has met the increased target which it has set for the whole of the current year.

A final distribution of 1.25p makes a total dividend of 1.75p, which is compared with an adjusted 1.125p.

● comment

At the interim stage, Micro Business Systems put on a brave face about the effect of the price squeeze in the microcomputer market. But yesterday it became clear that the company, like other distributors, has suffered from the intense competition which has driven more than one supplier to the wall. The rise of the dollar increased the pressure, hitting imported product lines, particularly the U.S.-made Telex computers sold by Computer Peripherals. This subsidiary, bought last year, made a loss of over £100,000. In these circumstances, MBS is wise to talk of consolidation in 1985—seeking to hold rather than expand market share. Such a policy will help control borrowings which exceed shareholders' funds and have become particularly onerous in the wake of interest-rate increases earlier this year. This debt is a necessary means of funding the working capital MBS needs to support sales which are still growing strongly, perhaps by 50 per cent in 1985. The shares, down 10p to 160p, reflect a very cautious view of the prospects—assuming full-year profits of £5m pre-tax and a 35 per cent tax charge, they trade on a multiple of 17½. As the industry puts the current troubles behind it, MBS, with its emphasis on computer service and maintenance backing up hardware sales, could begin to look attractive.

Two pick up 26% of Prince of Wales

Two companies have picked up a total of 26 per cent of Prince of Wales Hotels, in which the U.S. group Quality Inns has a 29.9 per cent stake.

Mr Bill Crossman, POW chairman, said yesterday he was attempting to discover further details about the two buyers, Tor Andenaes which has 17.9 per cent, and Sunbelt Holdings with 8.2 per cent. It was not clear whether they were acting in concert.

Some of the purchased shares appeared to have come from the Kuwait Investment Office, which had built up a 19.6 per cent stake. Taddale Investments held a majority of Prince of Wales, but placed the entire holding earlier this month.

POW's share price fell 2p yesterday to 108p, valuing the company at £13.4m.

Minihouse up 76% and sees more growth

Minihouse Holding, the Dutch computer systems house, increased pre-tax profits by 76 per cent in 1984 to DFl 4.9m (£1.1m) against DFl 3m (£0.7m) on turnover up 93 per cent to DFl 46.6m (DFl 24.2m).

Earnings per share rose to DFl 1.80 (DFl 1.03) and the final dividend is DFl 0.2 to make a total of DFl 0.3 for the year.

Mr Theo Mulder, chairman, has "every confidence" that the company, whose turnover has grown at an average 52 per cent in the last five years, will show further growth in 1985.

Minihouse started trading on Granville's OTC in December 1983 at 275p a share, and is now capitalised at £17m with the shares currently standing at a high of 650p. It supplies both hardware and software packages under long term maintenance contracts.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Bestobell	Nil	—	7.8	5.7	13.5
Campari	0.5	June 17	0.5	1	1
S. Casket ...... int.	0.8	—	0.64*	—	1.91*
Ellis and Goldstein	1.45¶	—	1.45	2.3	2.3
M. J. Gleeson ...... int.	1.5	June 28	1.43	—	4.5
John Laing	4.25	—	3.75	6	5
Micro Business‡	1.25	July 8	0.88	1.75	1.13*
Pochin's ...... int.	4‖	—	0.88	—	11.88
Smallshaw	1.75	July 1	1.25	2.5	1.75
Turriff	7	—	7	7	7
Fleming Universal	6	July 29	4.75	8	6.75

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ On capital increased by one-for-four scrip issue. ‖ Increase to reduce disparity.

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Over-the-Counter Market

High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
144	123	Ass. Brit. Ind. Ord.	143	—	6.6	4.4	7.9	9.5
151	135	Ass. Brit. Ind. CULS	149	—	10.0	6.7	—	—
77	51	Airsprung Group	55	−1	6.4	11.6	6.1	7.2
42	26	Armitage and Rhodes	33	—	2.9	8.8	4.1	6.8
145	108	Bardon Hill	142	—	3.4	2.4	14.3	23.8
58	42	Bray Technologies	50xd	−1	3.9	7.8	6.1	7.0
201	170	CCL Ordinary	170	—	12.0	7.1	—	—
152	110	CCL 11pc Conv. Pref.	110	—	15.7	13.8	—	—
1200	100	Carborundum Ord.	1200	—	49.0	4.1	5.9	9.3
88	84	Carborundum 7.5pc Pf.	88	—	10.7	12.2	—	—
73	49	Deborah Services	49	−1	6.5	13.3	4.7	7.5
314	162	Frank Horsell	314	—	—	—	12.6	16.5
268	170	Frank Horsell Pr.Ord.87	262	−2	9.6	3.6	10.5	13.8
32	25	Frederick Parker	28	—	—	—	—	—
58	33	George Blair	57	—	—	—	3.8	7.7
50	22	Ind. Precision Castings	22	—	2.7	12.3	6.0	6.5
218	186	Isis Group	189	—	15.0	7.9	7.5	13.6
124	101	Jackson Group	105	—	4.9	4.7	4.9	9.5
265	213	James Burrough	244	—	13.7	5.6	8.7	8.7
83	83	James Burrough 9pc Pf	85	—	12.9	15.2	—	—
87	71	John Howard and Co.	87	—	5.0	5.7	6.9	10.9
217	100	Linguaphone Ord.	217	—	—	—	8.0	8.3
100	93	Linguaphone 10.5pc Pf.	98	—	15.0	15.3	—	—
650	300	Minihouse Holding NV	650	—	3.8	0.6	46.8	51.2
120	31	Robert Jenkins	50	—	6.0	10.0	—	—
60	28	Scruttons "A"	34	+1	5.7	16.8	17.9	4.1
92	61	Torday and Carlisle	76	—	—	—	8.2	17.3
444	335	Travien Holdings	335	—	4.3	1.3	19.0	18.7
30	17	Unilock Holdings	30	+1	1.3	4.3	14.6	21.0
98	81	Walter Alexander	95	−1	7.5	7.9	9.4	11.4
247	219	W. S. Yeates	219	—	17.4	8.0	6.2	10.7

Prices and details of services now available on Prestel, page 48146

Public Works Loan Board rates

Effective April 24 1985

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
1	—	—	11¾	—	—	12¼
Over 1, up to 2	11¼	11¼	11½	12¼	12¼	12
Over 2, up to 3	11½	11½	11½	12¼	12¼	12
Over 3, up to 4	11½	11½	11½	12¼	12¼	12
Over 4, up to 5	11½	11½	11½	12¼	12¼	12
Over 5, up to 6	11½	11½	11⅜	11¾	11¾	11⅞
Over 6, up to 7	11½	11½	11⅜	11¾	11¾	11⅞
Over 7, up to 8	11½	11½	11⅜	11¾	11¾	11¾
Over 8, up to 9	11½	11½	11⅜	11¾	11¾	11¾
Over 9, up to 10	11⅜	11⅜	11¼	11¾	11¾	11¾
Over 10, up to 15	11⅜	11¼	10⅞	11¾	11⅝	11⅝
Over 15, up to 25	11	10⅞	10⅞	11½	11⅜	11½
Over 25	10⅞	10⅞	10⅞	11¼	11¼	11¼

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

UK COMPANY NEWS

Vickers enters U.S. office furniture market

BY ANDREW FISHER

Vickers, the Rolls-Royce car and engineering group, is paying £15m for Comforto, a European office furniture company, in its largest acquisition for several years.

Mr David Plastow, the chief executive, said the purchase formed part of the group's restructuring and would add to its position in the business equipment market, where Vickers' sales are around £60m a year. Further acquisitions would be aimed mainly at developing existing businesses, especially in overseas markets.

Comforto is based in Basle, Switzerland, and its annual world sales total £25m. It employs 500 people, has plants in Switzerland, West Germany, and the U.S., and specialises in high quality chairs.

The basic purchase price is £12.8m, with a further £1.5m due to the vendors, the brothers Eberhard and Gunther Pamberg, at the end of 1989, if there are no warranty claims. The basic price can be adjusted up by £500,000 and down by £700,000, depending on audited net growth at end-December, 1984.

Mr Chris Glasson, chief executive of Vickers' busines equipment division, said the market for effice equipment was growing fast, especially in the U.S. where the total market is worth some $5bn (£4bn) a year.

Vickers makes steel and wood furniture for offices, including filing cabinets, of which it turns out more than 150,000 a year. But new technology would eventually overtake traditional filing methods, he added.

Vickers is not in the U.S. office market, but will have nearly 18 per cent of its business equipment sales there after buying Comforto. The UK sales share will drop to 29 per cent from 41 per cent and that in France from 52 per cent to 36 per cent.

Mr David Plastow, managing director and chief executive of Vickers

Comforto's pre-tax profit in 1983 was £2.7m, with more than £3.5m estimated for last year. Vickers' own business equipment profits were only £2.7m last year, with production problems in France—now sorted out—causing a drop from £3.4m.

Mr Glasson said office employment had been rising, even during the manufacturing recession. New office methods, including automation, demanded higher equipment standards. The financial services revolution was boosting UK business.

He said another Comforto assembly plant might be opened in the U.S. The present one is in North Carolina. Vickers, the largest European office furniture manufacturer with 2,300 employees, has two factories in Kent.

Vickers will pay £5.1m of the purchase price on completion and the rest after audited net worth at December 31 1984, has been worked out. Comforto's net worth at the end of 1983 was £4.1m.

Amari sheds extrusion business in £7.5m deal

BY LIONEL BARBER

Amari, one of the leading independent UK aluminium manufacturers, has completed in principal the sale of its extrusion business, Century Aluminium, to Ardal og Sunndal Verk (ASV), the state-owned Norwegian producer in a deal worth around £7.5m.

The disposal allows Amari to concentrate on its metal and plastics stockholding and distribution business in the UK, the Continent and North America.

Under the deal, ASV has paid £4.2m in cash, which includes repayment of a £2.2m parent company loan. An additional £500,000 may become payable depending on Century's profits for the two years to December 31, 1986. The sale also relieves Amari of Century's external debt which currently amounts to around £2.9m.

Century made £765,000 pre-tax profits to the end of 1984, while its net asset value amounted to £240,000 net of the £2.2m parent company loan. It operates two plants at Sanquhar, Dumfriesshire and Birtley, Tyne and Wear.

Mr Chrisopher Romer, Century's managing director, is to resign from the Amari board but will remain as managing director at Century. Mr John Pither, Amari's managing director, will continue to serve as a non-executive director of Century.

Hill Samuel offshoot to strengthen U.S. coverage

Noble Lowndes and Partners, the employee benefit consultancy and personal financial services subsidiary of merchant bankers Hill Samuel Group, is seeking to purchase for cash the New Jersey-based employee benefit consultancy firm The Becker Company.

Discussions are at an advanced stage, but Hill Samuel is not prepared to reveal the size of the transaction.

Noble Lowndes has a strong presence in the UK employee benefit field and is relatively strong in the Irish Republic and Australia.

Many multinational firms now require their employee benefit consultants to provide an international service. This requires firms to have a strong presence worldwide. Many UK employee benefit firms have established operations in the U.S., the Far East and other important areas.

Noble Lowndes is pursuing a policy of selective expansion of its operations both in the UK and overseas.

Becker has a large number of clients, but mainly in the small business area. It is expected to produce pre-tax profits in the year to October 31 1984 of some US$2.42m and for the current year some $2.6m pre-tax. Its tangible assets amount to US$2m. Noble Lowndes in the last financial year had pre-tax profits of £5m—£2.2m after tax.

Campari hit by stocks sale provisions

LOSSES AFTER interest were slightly reduced from £155,610 to £144,911 at Campari International in the year to end November last, but exceptional charges left the group with a deficit of £2.84m at the pre-tax level.

The directors of the company, an importer and distributor of leisure, camping and boating equipment, calculate that gross margins were reduced by £875,000 and operating charges increased by £325,000 by the second half programme of reduced selling prices on selected stock lines, a result of the commitment to cut borrowings.

There was also a provision of £1.5m made against stocks in hand at the year end, for a total exceptional debit of £2.7m. The directors state that such exceptional provisions will not be required in the future.

There are further provisions below the line amounting to £771,087 relating mainly to major reorganisational changes made during the year, when the group closed its London warehouse and integrated its operations at the Northampton premises. It also transferred the warehousing and administration (excluding marketing and sales) of the German subsidiary to existing premises in Holland.

After an unchanged tots' dividend of 1p for the year—the final is 0.5p net per share—which will account for £56,617 (£75,259), the retained deficit totals £3.71m (£328,394). Losses per share came to a stated 33.51p (3.02p).

Mr Henry Lipton, the chairman, says that "the fundamental adjustments made during the year leaves Campari in a sound position to face the future."

Turnover at £32.34m was broadly in line with that generated in 1983 (£30.45m), while stock levels at the year end had been reduced by £6.3m or 39 per cent, with a favourable impact on borrowings.

The chairman considers that current trading reflects the market's acceptance of the new leisurewear and camping ranges, and that firm forward orders are more than doubled from last year. He expects that with the continuing concentration on reducing overheads and borrowings the group will return to profitability.

The tax charge for the year totalled £33,411 (£97,525), with the bulk consisting of ACT written off at £24,264 (£32,253). The overseas tax bill fell considerably from £65,272 to £9,147.

Revaluation reserves have been decreased by £540,000 (nil) in accordance with the directors' reassessment of the market values of the properties, which are £840,000 in excess of the book cost.

● comment

Campari's shareholders must be getting fed up with hearing that the company has at last achieved a solid base on which to rebuild a profitable company. The latest results—the most gruesome yet suggest, however, that strident action has been taken at last. At a cost of £3.5m (of which £0.7m was taken below the line) the company has reduced its stock level by nearly 40 per cent, transferred its London warehouse to a cheaper site in the Netherlands, and substantially cut the number of its staff. Its debt mountain has been reduced from £16m to £13½m, although the gearing has worsened from 190 to over 300 per cent as the write-offs and closures have made serious inroads into shareholders' funds. The Chairman's intention to reduce debt this year by a further £5m looks optimistic, and the balance sheet will look terrible for some time to come. Meanwhile, Campari's products continue to sell well, with the UK order book up by over 100 per cent since last year. If the company can be believed that there will be no need for further write offs, the shares down 1p to 29p on the results should be held to give this company one last chance.

Provisions cut Bestobell to £0.5m

FURTHER heavy provisions for incurred and expected deficiences on Australian contracting have cut deeply into 1984 pre-tax profits of Bestobell.

And, in the light of the results the final dividend is being omitted leaving shareholders with 5.7p net for the year, against 13.5p previously.

In a trading statement last February group chairman Mr Sandy Marshall warned that earnings would be adversely affected by poor trading conditions in the Southern Hemisphere and anticipated losses on Australian contracting.

He says now that an additional net provision of £3.65m (£2.62m) was required, principally against further potential losses on a thermal insulation contract connected with the construction of a power station at Loy Yang, Victoria.

The provisions were taken above the line which together with higher interest costs left group pre-tax profits at £471,000, down from 1983's £5.13m.

Mr Marshall says it is regrettable that after 1983's experience the group should again be faced with a major problem in Australian contracting.

He considers, however, that the provisions will be sufficient to cover all foreseeable losses on the contract.

The company concerned, Bestobell Australia Limited (BAL), the 78 per cent owned publicly-quoted subsidiary, was found to be in need of support. This has now been arranged with Bestobell agreeing to purchase from BAL the share capital of Bestobell South East Asia (BSEA) for A$6.4m (£3.26m).

Alternatively, the sum may be advanced to BAL secured on the shares of BSEA. Security over the other assets of BAL has been given to BAL's bankers, whose advances have also been guaranteed by Bestobell.

Mr Graham Woodhead, a main board director of Bestobell, has been seconded to BAL as chief executive.

GGroup turnover for 1984 pushed ahead from £137.26m to £150.09m. However, there was a marked deterioration in trading conditions in Southern Africa and Australia and problems in one of the North American subsidiaries and trading profits fell from £9.54m to £6.96m.

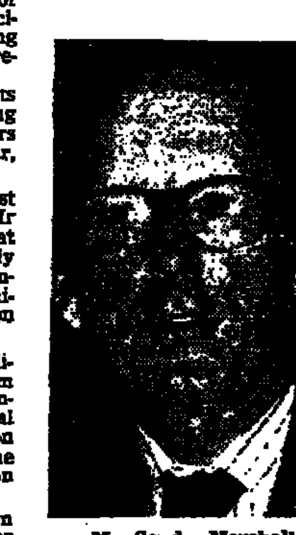
Bestobell South Africa, a consistent and significant contributor to the group over the years, suffered from pressures on the economy there, drought conditions, a weak currency, high interest rates and high inflation and plunged into loss. The company has cut overheads drastically and is moving further into local manufacture of specialised lines.

Elsewhere, results were steady with particularly good performances in the greater part of the aviation and defence-related activities where a substantial recovery was secured.

Group interest charges surged from £1.79m to £2.84m and tax took £1.45m more at £3.05m, to leave a net loss of £2.58m—a swing of £6.1m when compared with profits previously of £3.53m.

Loss per 25p share emerged at 10.3p, compared with earnings of 22.2p.

After preference and ordinary dividend payments there was a transfer from reserves of £4.33m (£1.21m).



Mr Sandy Marshall

PERFORMANCE ANALYSIS

	Sales 1984 £'000	Sales 1983 £'000	Trading profits 1984 £'000	Trading profits 1983 £'000	% change
By business group					
Controls & instrumentation	34,538	29,724	2,941	2,916	0.86
Aviation & engineering	26,348	25,614	2,200†	1,876	17.3
North America	22,458	17,712	666	1,032	−35.0
Australia	54,517	50,176	1,692*	2,261*	−25.16
Africa	16,125	17,419	536‡	1,456	—
Less inter-unit sales	3,916	3,387	—	—	—
Total	150,090	137,258	6,963	9,541	−27.02
By territory					
UK	50,045	44,569	4,831†	4,305	12.2
Europe	6,945	7,382	310	487	−36.34
North America	22,458	17,712	666	1,932	−35.47
Australia & New Zealand	46,068	43,029	1,034*	1,536*	−32.68
South East Asia	8,449	7,147	648	725	−9.2
South Africa	8,872	9,682	1,024‡	341	—
Central Africa	7,253	7,737	488	1,115	−54.23
Total	150,090	137,258	6,963	9,541	−27.02

* Excludes an exceptional item of £3.18m net (1983—£2.62m).
† Excludes an exceptional item of £472,000 (1983—nil) ‡ Loss.

● comment

The slings and arrows of outrageous misfortunes all appear to have been pointed in the direction of Bestobell in 1984. A provision of £4.6m has had to be made (long after shareholders were assured that things were under control) on a power station contract in Victoria, Australia—the contract itself is only worth £7.6m at today's exchange rates. The blame for this is put on underpricing at the time of tendering—the same explanation as was given over another Australian major contract on which money was lost in 1983. However, even in those areas where ance was modest and the profits the weakness of the pound or the bouyancy of particular markets (or both) should have not enough to plug the holes seen strong growth, the performappearing south of the equator. At the start of the year Mr John Dowling, a company director, was brought in as chief executive (the former top manager left the company in November after more than 10 years at the helm). Many more management changes can be expected along with some asset disposals as the group tries to get gearing down from a giddy 70 per cent to under 50 per cent. The corporate headquarters in both the UK and ustralia are to be sold as the group goes for a leaner, more profit-hungry structure. The yo-yo share price movement yesterday reflects the markets uncertainty about whether the group can be set to rights and also whether or not BTR (with some 20 per cent of the shares) or another predator might be interested in picking up the pieces of a company now trading at a sizeable discount to net asset value. For 1985 the analysts are looking for £3m pre-tax, a demanding prospective multiple of almost 20 on 222p (down 11p) and a tax rate of 40 per cent.

BAT's chairman gets 33% pay rise

BAT Industries, currently top of the UK profits league for industrial companies, paid its chairman, Mr Patrick Sheehy, just over 33 per cent more in 1984.

His salary, revealed in the annual report and inclusive of performance related bonus, rose from £150,112 to £200,371 in a year that saw BAT's taxable profits surge from £979m to £1.41bn.

Profits for 1984 were nearly £100m above most City estimates with a change in the accounting policy for BAT's insurance subsidiary, Eagle Star, boosting the results by £95m.

In BAT's annual report, the auditors say that the financial statements in relation to the insurance subsidiaries comply with the Companies Acts 1948 to 1981.

Mr Sheehy's rise follows a 68 per cent increase for ICI's chairman, Mr John Harvey-Jones, and a 48 per cent increase for Sir Owen Green, chairman of BTR.

A study on top management remuneration published last month and sponsored by Charterhouse, the banking and investment group, showed that base pay for directors and senior managers in the UK continued to rise by about 10 per cent a year over the last six months.

At that time, Mr Sheehy was the third highest paid chairman behind the men heading the oil majors, Shell Transport and British Petroleum.

There were also increases in 1984 for the other BAT board members. Six directors, including the chairman, earned over £120,000 each, compared with two in the previous year.

The annual general meeting will be held on May 16, at 11.30 am, at St John's, Smith Square, Westminster SW1.

UK COMPANY NEWS

Ellis profits reach £3.6m as Dash growth continues

CURRENTLY trading at 170 locations the Dash range of leisurewear at Ellis and Goldstein (Holdings), garment maker and retailer, continued its rapid growth and helped profits to expand from £2.34m to a record £3.55m pre-tax for the year ended February 2 1985. And the final dividend is boosted by 20 per cent.

The directors say the division selling the Eastex and Dereta brands of garments has substantially increased both turnover and profits, while real progress was made in supplying multiple and chain store customers. Strong design and range development for their individual markets give confidence for the future.

While directors look forward to a further improvement in profits for the current year, they say they cannot, with Dash in a more mature stage, expect the rate of growth of the past two years to be maintained.

Turnover for the 1984-85 year was boosted from £47.9m to £64m and was split between wholesale £22.07m (£15.25m) and retail £41.98m (£32.69m).

After tax up from £950,000 to £1.45m earnings per 15p share are shown as 9.2p against 6.1p.

The dividend for the year totals 2.3p with a 1.45p final which will be paid on capital to be increased by a one-for-four scrip.

The directors point out that the Dash locations include 15 Dash Man, 40 Young Dash and stand-alone shops in six towns. The age appeal of Young Dash has been widened, they state, and further stand-alone shops are planned as are 20 more units within stores.

The directors say that funding the group's increased activity and acelerating capital investment is reflected in the balance sheet by a cash outflow of £2.7m.

Pre-tax figure was after £148,000 (£98,000) for the employee share scheme. After the tax charge, and an extraordinary debit—deferred tax—of £854,000 last time, the attributable balance came through well ahead from £536,000 to £2.1m.

• comment

Not surprisingly Ellis and Goldstein has been deserted by some of its long standing income orientated shareholders. A yield of 4.2 per cent no longer provides the dividend return which was the main attraction of buying the shares until a couple of years ago. But even though the stock has performed well for the capital growth funds which have moved onto the share register the rating is still on the modest side. The price has risen by 50 per cent over the last twelve months but that has just kept pace with earnings growth. The group's performance has been transformed by Dash and its sporty fashion clothes lines but that business is actually maturing fast. The 20 or 30 new outlets that are planned are no more than filling in the gaps on the map. Yet if profits are no longer mushrooming the shares still deserve something a little better than a prospective p/e of 8 at 90p — and that assumes just £4m pre-tax this year, which is surely on the conservative side.

Nottingham Mfg.

Nottingham Manufacturing, the hosiery and knitwear group, has bought 2.3m of its own shares, representing about 2.8 per cent of the share capital, at prices between 208p and 210p. Nottingham closed last night at 216p, up 10p on the day.

Jeweller set for USM quote

Abbeycrest is set to become the first jewellery company quoted on the USM.

Brokers Schaverien are bringing the Leeds-based group to the market in the middle of next month by means of a placing which is likely to give the company a market value of about £5¾m.

Founded in 1979, Abbeycrest designs a wide range of 9ct gold jewellery which it sells to wholesalers, multiple retailers and mail order houses. Sales are now running at over £7m a year.

The company concentrates on the inexpensive end of the jewellery market — selling gold earrings which retail for up to £10 a pair, for example.

It says it has achieved increased profits every year and in its prospectus it will be forecasting further profits growth in 1985.

"The company has succeeded by applying modern techniques to a fragmented and traditional industry," say the brokers.

The prospectus is likely to be published on May 14; and dealings are expected to start at the end of the month.

Plummeting home computer prices cut Spectrum profits

PLUMMETING retail prices in home computers, plus the cost of handling what the directors describe as an inordinately high level of returned faulty merchandise in pre-tax figures at the interim stage at Spectrum Group. For the six months to end of 1984 profits tumbled from £1.16m to £75,000, on turnover ahead from £14.94m to £25.49m.

They go on to say that the seasonally less active second half "will continue to reflect the difficult conditions."

Although the directors say that actions taken to correct the trading position of this USM concern are unlikely to have a material effect on second half results, benefits from rationalisation, and improved product line, should be more significant later in 1985.

Accordingly they say they have decided to review dividend policy when results for the current financial year are available. Halftime earnings per share are shown as nil (6p), and there is no interim dividend.

Spectrum distributes home computers, peripherals, software and associated products, and photographic equipment. Results suffered from losses of £223,000 on continuing new activities, which are under review.

Against a background of widespread market regression, the directors say it would have been imprudent not to have made a critical review of stocks and debtors. This review has delayed publication of interim figures and has resulted in substantial additional provisions against the value of current assets.

Gross profits came out at £2.46m (£2.14m) from which selling, distribution and administration and interest took £2.28m (£1.09m). There were exceptional credits last time of £100,000. Profits were subject to tax of £37,000 (£588,000) and extraordinary debits this time of £157,000.

The extraordinary items were the cost of non-continuing operations less tax, including provisions for writing-off the residual values of assets after the end of 1984 as follows: Micromend home computer servicing company)£125,000; Statessoft (purchase of U.S. software licence) £32,000.

MINING NEWS

De Beers expecting diamond sales to resume rising trend

BY KENNETH MARSTON, MINING EDITOR

IN HIS new role as chairman of De Beers Consolidated Mines Mr Julian Ogilvie Thompson tells shareholders that he takes a hopeful view of the outlook for the South African diamond group.

Pointing to last year's 6 per cent rise in retail sales of diamond jewellery to a record level (they climbed 19 per cent in the important U.S. market) he says in his annual statement that if the world economy continues to grow "the stage is well set for sales of (uncut) diamonds to resume their rising trend."

Mr Julian Ogilvie Thompson

He supports this view by saying that while the group's unsold diamond stocks rose from $936m in 1980 to $1,951m last year, the strength of retail sales in the period resulted in diamond stocks at the cutting centres falling by nearly $5bn, or "five times as much as the rise in our own stocks."

Stocks in the hands of jewellery manufacturers and retailers have also fallen significantly. Mr Ogilvie Thompson adds that at the first three sights of 1985—the principal selling occasions for rough stones—"there was a welcome indication of interest in a wider range of diamonds and sales of the larger sizes increased."

The market for industrial diamonds, synthetic and natural, remains good and now absorbs about 150m carats a year in the non-Communist world.

At least 80 per cent of this total is represented by synthetic diamonds but the improvement in demand for the natural material is seen as encouraging for the big Argyle diamond mining operation in Western Australia.

Its output is due to be sharply boosted to an annual rate of some 25m carats—the bulk being industrial material—when the big AK1 pipe starts production early next year. Plans for the marketing of the Argyle output are being developed. Major partners in the venture are CRA (56.8 per cent) and Ashton Mining (38.2 per cent).

Meanwhile the diamond market is not yet out of the wood and De Beers is still having to stockpile the larger and more expensive stones. Because diamonds are priced in dollars, the strength of that currency last year increased prices outside the U.S. and thus dampened non-U.S. demand.

It also boosted the rand value of the stock by R1.38bn to R3.88bn and raised the cost to De Beers of servicing those dollar loans needed to finance the stock.

However, Mr Ogilvie Thompson who took over as chairman from Mr Harry Oppenheimer, who remains a director, says that borrowings remain well within the total facilities available to the group.

The recent fall in the value of the dollar will be helpful in many ways to De Beers. But it will also mean a corresponding fall in the gains on conversion of dollar revenue into rands, a major factor in the rise of 28 per cent to R677.7m in group earnings last year.

BASE LENDING RATES

A.B.N. Bank	13 %	C. Hoare & Co.	12½%
Allied Irish Bank	12½%	Hongkong & Shanghai	12½%
■ Henry Ansbacher	12½%	Johnson Matthey Bkrs.	13 %
Amro Bank	13 %	Knowsley & Co. Ltd.	13½%
Associates Cap. Corp.	14 %	Lloyds Bank	12½%
Banco de Bilbao	12½%	Edward Manson & Co.	14 %
Bank Hapoalim	12½%	Meghraj & Sons Ltd.	12½%
BCCI	12½%	Midland Bank	12½%
Bank of Ireland	12½%	■ Morgan Grenfell	12½%
Bank of Cyprus	12½%	Mount-Credit Corp. Ltd.	12½%
Bank of India	12½%	National Bk. of Kuwait	12½%
Bank of Scotland	12½%	National Girobank	12½%
Banque Belge Ltd.	12½%	National Westminster	12½%
Barclays Bank	12½%	Northern Bank Ltd.	13 %
Beneficial Trust Ltd.	13½%	Norwich Gen. Trust	12½%
Brit. Bank of Mid. East	12½%	People's Trust	14 %
■ Brown Shipley	13 %	Provincial Trust Ltd.	13½%
CL Bank Nederland	12½%	R. Raphael & Sons	12½%
Canada Permanent	12½%	P. S. Refson	13 %
Cayzer Ltd.	12½%	Roxburghe Guarantee	13½%
Cedar Holdings	14 %	Royal Bank of Scotland	12½%
■ Charterhouse Japhet	12½%	Royal Trust Co. Canada	12½%
Choulartons**		■ Henry Schroder Wagg	12½%
Citibank NA	12½%	Standard Chartered	‖12½%
Citibank Savings	¶12½%	TCB	12½%
Clydesdale Bank	12½%	Trustee Savings Bank	12½%
C. E. Coates & Co. Ltd.	13½%	United Bank of Kuwait	12½%
Comm. Bk. N. East	13 %	United Mizrahi Bank	12½%
Consolidated Credits	13½%	Westpac Banking Corp.	13 %
Co-operative Bank	*12½%	Whiteaway Laidlaw	13½%
The Cyprus Popular Bk.	12½%	Williams & Glyn's	12½%
Dunbar & Co. Ltd.	12½%	Wintrust Secs. Ltd.	12½%
Duncan Lawrie	12½%	Yorkshire Bank	12½%
E. T. Trust	13 %		
Exeter Trust Ltd.	13½%		
First Nat. Fin. Corp.	14½%		
First Nat. Secs. Ltd.	14 %		
■ Robert Fleming & Co.	12½%		
Robert Fraser & Ptns.	13½%		
Grindlays Bank	‡12½%		
■ Guinness Mahon	12½%		
■ Hambros Bank	12½%		
Heritable & Gen. Trust	12½%		
■ Hill Samuel	§12½%		

■ Members of the Accepting Houses Committee.
* 7 day deposits 9½%, 1 month 10¼%. Top Tier—£2,500+ at 3 months notice 12½%. At call when £10,000+ remains deposited.
‡ Call deposits £1,000 and over 9½% gross.
‖ 21-day deposits over £1,000 10¼%.
¶ Mortgage base rate.
** See Provincial Trust Ltd.
§ Demand deposits 9¼%.

UK COMPANY NEWS

L & G managed funds top £10bn

Legal and General Group, Britain's second largest life company, reports total funds under management at the end of 1984 to have reached £10.4bn.

The main long-term fund at £5.1bn accounted for almost half of the figure, while managed funds at £2.4bn for another quarter. The group's recent move into segregated pension fund management has reached £1.1bn of funds.

Net new money invested in the UK fund last year amounted to £325m, of which £145m was invested in fixed interest securities (including £12m of index-linked gilts), mainly to match the fund's monetary liabilities.

A further £84m was invested in UK equities and £36m in overseas equities, a major part being in the U.S. .. some £90m was invested in property—£22m on improvements to existing properties and £68m on developments and new acquisitions.

At the end of 1984, the UK gilt portfolio at £1.7bn accounted for one-third of the main £5.1bn fund. UK equities at £1.3bn accounted for more than a quarter, while property at £1.4bn was slightly higher proportion. Overseas equities were valued at £300m.

As already reported, pre-tax profits for the year fell from £55.6m to £48.1m, following underwriting losses on the general insurance and re-insurance business climbing from £25m to £41.6m.

The report reveals that the UK general insurance operations had an underwriting loss of £18.2m—more than double that for 1983. The deterioration came in the group's substantial household account, which suffered £8m of storm claims early in the year and high levels of subsidence claims in the autumn—the latter being a cause for concern to both Legal and General and to all other property insurers.

Equity and Law Life Assurance Society reports a rise of over £400m in its long-term business assets last year to £2.51bn at the end of 1984.

Premium income during the year rose from £217m to £262m and investment income from £122m to £144m. Claim payments rose from £116m to £133m and management expenses from £37m to £42m.

During the year, in its main fund the Society invested £23m in UK gilts and £21m in other fixed interest securities. It invested just £14m in UK equities and £8m in overseas equities. It made no investment in UK property and £3m in overseas property. The report for 1984 states that it felt UK property prices were relatively high during the year.

Britannic Assurance reports a £51m increase in its industrial life funds in 1984 to £504m and a £27m increase in its ordinary branch funds to £250m. Thus total life funds during 1984 rose by £77m to £754m.

Premium income in the industrial branch rose by 7.5 per cent to £93m, with the expense ratio dropping from 40.5 per cent to 39.7 per cent. In the ordinary branch, premium income climbed nearly 14 per cent to £30m, while the expense ratio fell slightly from 29.9 per cent to 29.6 per cent.

As already reported, surplus for 1984 was nearly £900,000 higher at £5.5m against £4.6m. The improvement in life profits was diluted by a worsening in the company's general insurance operations.

On the general insurance account, the report shows that underwriting losses climbed from £1.95m in 1983 to £3.1m last year. The main cause of the problems lies in the property account, which was affected by storms and subsidence and also by the rising number of thefts. The companies motor account produced a loss of £115,000 against an underwriting profit of £179,000 in 1983. The account was hit by rising numbers of claims towards the end of the year.

The company has now increased premium rates on its home and motor insurance policies, but warns that it will take some time for these measures to have their full impact.

The company took the view on its investments that equity yields were lower than it would have liked. It rearranged its equity portfolio investing just £6.3m of new money in this sector compared with £30.6m in UK gilts and £2m in its U.S. equity portfolio.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1983							
4th qtr.	103.9	98.8	100	109.2	151.8	2,941	162.0
1984							
1st qtr.	104.0	99.0	103	107.7	122.7	2,998	147.0
2nd qtr.	101.8	99.7	107	110.2	130.1	3,026	154.0
3rd qtr.	102.2	101.2	106	111.1	133.3	3,076	165.1
4th qtr.	103.1	100.8	103	113.6	164.0	3,103	166.5
October	102.7	100.2	106	112.0	139.9	3,100	170.5
November	102.9	100.7	103	112.7	149.6	3,102	167.6
December	103.6	101.5	102	115.6	194.9	3,108	161.3
1985							
January	105.2	101.3		111.6	134.4	3,128	157.2
February	105.0	102.2		112.0	130.2	3,148	156.1
March				113.3		3,147	159.2

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1983							
4th qtr.	101.0	93.8	109.9	96.2	108.8	97.4	15.9
1984							
1st qtr.	100.1	93.9	110.5	96.2	113.5	95.9	16.2
2nd qtr.	101.3	95.4	105.3	97.7	106.1	97.2	18.0
3rd qtr.	102.0	97.2	104.5	100.1	109.4	98.0	16.2
4th qtr.	102.3	97.1	106.1	99.1	106.5	99.7	13.3
September	103.0	98.0	105.0	101.0	110.0	100.0	15.2
October	102.0	96.0	106.0	99.0	105.0	99.0	16.5
November	102.0	97.0	106.0	99.0	108.0	100.0	13.9
December	103.0	98.0	107.0	100.0	106.0	100.0	9.5
1985							
January	103.0	98.0	110.0	100.0	102.0	99.0	11.5
February	104.0	99.0	108.0	101.0	107.0	101.0	11.9

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1983							
4th qtr.	107.3	112.9	−221	+350	+2,099	97.7	17.82
1984							
1st qtr.	108.7	112.1	− 57	+623	+2,322	97.3	16.75
2nd qtr.	107.3	117.1	−1,228	−592	+1,543	96.9	15.51
3rd qtr.	108.0	119.8	−1,643	−621	+1,804	96.7	15.26
4th qtr.	117.5	126.1	−1,327	+641	+1,468	96.1	15.52
September	108.5	126.9	−887	−546	+577	96.7	15.26
October	115.4	131.2	−807	+201	+373	96.4	15.35
November	118.0	120.8	−177	+303	+352	95.9	15.50
December	119.2	126.2	−344	+136	+743	96.0	15.69
1985							
January	116.5	118.2	− 76	+341	+928	96.0	15.52
February	121.5	124.4	−270	+131	+681	95.0	15.35
March							15.64

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1983							
4th qtr.	7.9	10.4	8.8	18.9	2,745	2,774	9.00
1984							
1st qtr.	4.1	10.1	8.2	13.6	2,609	2,868	8.50
2nd qtr.	4.6	24.5	11.1	18.9	1,795	2,870	9.25
3rd qtr.	5.3	10.2	6.3	9.9	1,628	2,809	10.50
4th qtr.	9.6	24.3	13.4	16.9	2,492	2,941	9.63
September	4.4	7.8	4.0	2.4	887	891	10.50
October	6.7	18.5	9.6	11.4	1,125	1,003	10.50
November	9.9	27.3	18.6	17.1	363	967	9.63
December	12.2	27.2	12.1	22.4	1,004	971	9.63
1985							
January	5.0	9.0	13.6	16.3	823	1,164	14.00
February	3.1	− 5.0	4.6	13.3	474	1,015	14.00
March	− 1.3	− 1.2	9.2	16.0	214		13.50

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1983							
4th qtr.	153.2	128.4	126.7	341.8	316.4	298.50	83.2
1984							
1st qtr.	153.6	133.6	129.0	343.9	321.7	308.67	81.7
2nd qtr.	155.9	134.3	132.0	350.9	329.1	305.06	79.8
3rd qtr.	159.6	134.1	132.8	353.9	326.8	288.95	78.0
4th qtr.	164.1	140.1	134.3	358.3	326.8	289.64	74.1
August	159.2	133.2	132.6	354.8	326.9	294.18	78.4
September	159.9	135.2	133.3	355.5	324.9	288.95	77.2
October	164.2	137.9	133.9	357.7	326.2	292.40	75.6
November	162.8	139.2	134.3	358.8	326.6	289.89	73.7
December	165.3	143.4	134.9	358.5	327.6	289.64	74.1
1985							
January	163.4	145.3	135.9	359.8	330.6	296.98	71.5
February	164.6	147.6	136.6	362.7	332.5	295.73	71.3
March		145.6	137.3	366.1	335.4	295.22	73.3

* Not seasonally adjusted.

Gleeson profits hold up despite fall in turnover

ALTHOUGH turnover fell from £35.13m to £30.73m at M. J. Gleeson for the half year ending December 31, 1984, taxable profits rose by £148,000 to £2.06m.

These figures confirmed the board's expectation that the group, a civil engineer, building contractor and property developer, would have its profits supported by final account settlements on completed contracts, good results from the residential estate development programme, and non-trading income.

Regarding current trading and future prospects, the directors expect that results for the full year will show an improvement despite the certainty of lower turnover. Looking further ahead they say that the board will intensify its policy of reducing overheads as turnover declines.

There is no sign of any lessening of the acute shortage of civil engineering and public works contracts, so in the mid-term profit prospects will depend increasingly on the results of the group's property investment programme.

In these circumstances, although stated net earnings are shown lower at 11.09p (11.6p) per 10p share, the directors feel that the interim distribution should be £150,000, and are raising the interim dividend from 1.43p to 1.5p. For the year to June 1984 a total of 4.95p was paid on taxable profits of £4.4m.

The pre-tax figure this time consisted of higher trading profit of £1.01m (£769,000), and rent and interest income lower at £1.05m (£1.14m).

Tax amounted to £950,000 against £751,000, and retained profit emerged down at £959,000 (£1.02m).

COMPANY NEWS IN BRIEF

In a further step implementing its policy of concentrating on packaging and plastics, high performance textiles, and selected electronic and electrical products, Low and Bonar is initially spending $2.5m on purchasing a 51 per cent interest in Carolina Formed Fabrics Corporation. There is provision for a further $1.8m outlay depending on profit.

The U.S. company is said to have a rapidly expanding customer base which includes many of the leading American consumer product companies. Low and Bonar will begin looking immediately at a project to build a a similar plant, possibly in Dundee.

* * *

Morgan Crucible says that 93.5 per cent of the 11,578,290 shares offered by way of rights have been taken up.

Excess shares have been sold and the proceeds of some 24.298p per share will be distributed to shareholders entitled thereto.

* * *

NET PROFITS at Scottish Cities Investment Trust, which is managed by Rea Brothers, improved from £297,000 to £412,000 for the six months to the end of March 1985. Tax came to £219,000 against £181,000. Earnings per share were shown as rising from 8.9p to 12.4p and the interim divident has been raised from 4p to 6p. In the last full year a total of 14.5p was paid.

Net asset value per ordinary and "A" non-voting share came to £5.34 (£4.94).

* * *

English National Investment increased attributable profits from £170,566 to £199,895 in the year to end-March 1985. Net asset value per preferred and deferred shares at the year end amounted to 176.1p (adjusted (153.9p) and 101.1p (adjusted 78.9p) respectively.

The final dividend on the preferred shares is 4.6p, making an effective total of 7.7p. Deferred ordinary holders will receive a 2.15p payment, making an effective 2.88p.

* * *

As expected, British Rayophane recovered somewhat in the second half and returned a profit of £1.63m for the whole of 1984, against £1.72m.

Turnover of the company, which is owned by UCB SA (Belgium) and makes and converts cellulose and oriented polypropolyne film, expanded from £55.58m to £59.23m. After tax £257,000 (£234,000) and extraordinary debits of £231,000 (£1.8m) the available profit for the year was £1.14m (£158,000).

The subsidiary British Sidac, also showed some recovery and finished the year with a profit of £1.46m, compared with £1.7m. Turnover came to £37.98m (£37.34m).

After tax £1,000 (£195,000) and extraordinary credit £11,000 (debit £1.85m), the attributable profit comes to £1.45m (£52,000).

* * *

The Consolidated Venture Trust is holding its dividend at 0.85p for the year ended January 31, 1985, but shareholders are warned that for the current year it is likely to be reduced to a nominal amount.

Gross income for 1984 fell from £717,000 to £310,000. But without the charge of £448,000 for foreign currency loan interest the revenue before tax is £111,000 (£175,000). Current indicatins are that the level of revenue will not be maintained for the current year.

At January 31 the net asset value worked out at 137½p per ordinary share, against 112p a year earlier.

* * *

Laurentian Asset Management will be solely concerned with the investment management and administration of British Empire Securities and General Trust and will not be responsible for the management of Imperial Life Assurance Company of Canada's other investments in London, as was stated in yesterday's edition. Laurentian is a subsidiary of Imperial Life.

* * *

R. Smallshaw (Knitwear) improved pre-tax profits by nearly 50 per cent in 1984, and the directors are to recommend a 0.5p increase in the final dividend to 1.75p per share, for a total of 2.5p against 1.75p.

Taxable profits came to £310,231 against £207,818 on turnover of £9.14m (£7.46m). Tax accounted for £88,863 (£18,750).

After an extraordinary provision for deferred tax, less ACT written off, of £54,568 (nil), attributable profit was £166,800 (£189,068).

Earnings per share are stated at nil (7,563p) after diluted tax charge, and 8.86p (6.532p) after full tax charge.

APPOINTMENTS

Management restructure at Wedgwood

WEDGWOOD introduces on May 1 a new senior management organisation: a new board of Josiah Wedgwood and Sons, the principal subsidiary company, will be formed with Sir Arthur Bryan (chairman), Mr James Moffat (managing), Mr Frederick de Costobadie (sales), Mr W. Eric Dann (finance), Mr Christopher J. Johnson (production), Mr Robert Minkin (design), Mr Fred Shaw (management services), Mr Fred Shaw (management services), Mr B. John Shufflebotham (industrial relations), and Mr George Stonier (secretary). The managing directors of the various divisions of Josiah Wedgwood and Sons and Wedgwood Marketing will constitute an executive board under the chairmanship of Mr Moffat. This board will include: Mr Charles Dean — Mason's Ironstone; Mr Robert L. Johnson — Creative Tableware; Ms Barbara Mankowitz—London Retail; Mr John Ryan — Fine Earthenware; Mr Roy Wadland; Mr Richard H. Ware—Wedgwood hotelware; and Mr Colin Wright —Wedgewood Rooms.

*

Some three months after retiring as a vice-president of the European Commission, Mr Christopher Tugendhat has been appointed a non-executive director of NATIONAL WESTMINSTER BANK from May 1. His major responsibilities at the Commission were the budget, financial institutions and taxation, as well as financial control. He is also a director of the BOC Group. From 1960 to 1970 Mr Tugendhat was a Financial Times leader and feature writer.

*

Mr Nigel Mobbs, chairman of SLOUGH ESTATES, has been elected chairman of the council of AIMS OF INDUSTRY, following the death of Mr John Lyle. Sir Gordon Booth, director of HANSON TRUST, has been elected to the council.

*

DEREK CROUCH has appointed Mr Ian George its financial director. He was appointed company secretary last year.

WINCHESTER BOWRING has appointed Mr R. R. Bearman, Mr N. C. Frankland, Mrs V. Pound and Mr I. Wicks assistant directors from May 1.

*

REEVES BROWN ASSOCIATES has made the following board appointments: Mr Ralph Hart is to become chairman and Mr Timothy Evans, previously an actuary at Wm M. Mercer-NPA, together with Mr William Gill became directors.

*

THE MANUFACTURERS LIFE INSURANCE COMPANY (UK) has appointed Mr Joseph B. Mounsey as vice president and deputy general manager, UK operations (formerly assistant general manager; Mr Richard Bowles as investment vice president; Mr John Gregory as assistant general manager, operations; and Mr Derek Holtham as assistant general manager, finance, and actuary for the UK.

*

Mr Bryan Quilter is to become industrial director of the NATIONAL ECONOMIC DEVELOPMENT OFFICE in July. He will succeed the present industrial director, Mr Richard Homan, who will be retiring. Mr Quilter has until recently been a director of the Granada Television Rental, chairman of Granada Motorway Services, Granada Theatres, Granada Computer Services and Granada Microcomputer Services. He was also main board director responsible for personnel.

*

Mr Michael Gloster has been appointed technical director of BLICK COMMUNICATIONS, Exeter. He was research and development manager.

*

Mr Tony Church has joined the MERRILL LYNCH international research department in London as a senior chemical analyst responsible for coverage of the major UK and continental chemical companies as well as the European operations of major U.S. chemical companies. For the past six years he covered the European chemical industry from London for Kidder Peabody where he was a vice-president.

*

From May 1 Mr N. W. C. Carter and Mr D. E. Hughes are appointed directors of FENCHURCH SCOTT REINSURANCE BROKERS. Mr P. L. McArthur retires on April 30.

Mr Christopher Tugendhat becomes a non-executive director of National Westminster Bank on May 1

Mr E. J. (Eddie) Sims, associate director, the General Electric Company, has been elected the 1985-86 president of BEAMA, the federation of British Electrotechnical and Allied Manufacturers' Associations.

*

SWAN HOUSEWARES has appointed Mr Charles Muircroft as manufacturing director and Mr Fred Hackett as purchasing director.

*

RANSOMES SIMS & JEFFERIES has appointed Mr Keir Wyatt as sales and marketing director designate from May 7. He joins from Marshall Sons & Co. where he has been sales director since the company purchased the tractor business from Leyland Vehicles in 1982.

*

Mr Reg Lee, after a short retirement, has joined the EVRO JOHNSON PUMP CO. Mr Lee, as his father and grandfather before him, has spent most of his life developing the rotary lobe pump principle, the established prime moved for heavy viscous and delicate substances. He founded Stainless Steel Pumps in 1958. Evro Johnson Pumps is a subsidiary of Johnson Pump International AB group of companies of Sweden.

*

Mr Raymond Miquel has been appointed visiting professor in business development at GLASGOW UNIVERSITY, department of management studies, from May 1. He is chairman and chief executive of Arthur Bell & Sons, chairman of Canning Town Glass, Towmaster Transport, and Gleneagles Hotels.

*

Mr Kenneth Thomas, who has been trading as an independent shipping consultant, is joining the maritime consultancy of LEV SYCHRAVA ASSOCIATES as senior associate on May 1.

*

Mr C. J. Pumphrey becomes senior partner of WISE SPEKE & CO., Newcastle, stockbrokers, on April 29, succeeding Mr P. J. Orde, who, with Mr C. F. Boys-Stones and Mr A. R. R. Oliver are retiring from partnership. Mr P. Cooper, Mr J. W. Wardle and Mr A. M. G. Arkwright become partners and Mrs M. A. Myers becomes an associate. Mr T. A. Wilson retires.

*

Presidentof the AGRICULTURAL ENGINEERS ASSOCIATION for 1985-86 is Mr F. P. D. Moore, agricultural adviser to Howard Rotavator Co.

THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

AD HOC

BY FEONA McEWAN

Midland moves

THE Midland Bank is to ginger up its courtship of the business community both at home and abroad with its appointment this week of agency Wight Collins Rutherford Scott to handle its business advertising budget.

"We've been rather quiet for a while in the business area," says Adrian Neaves, senior manager in the business sector. "We've been busy refocusing on our savings, retail and personal services. Now it's time to address the business customer."

Wight Collins will handle the newly combined corporate/international account on a budget scheduled between £2m and £4m. This marks a distinct increase on recent negligible expenditure in this area. Previously the account has been handled separately: the corporate side by Allen Brady and Marsh (which retains the personal sector advertising) and the international side by a number of agencies including The Creative Business.

Agency Wight Collins is, predictably, chipper about the win, which takes its new business this year to around £15m, having pipped Saatchi and Saatchi and Davidson Pearce to the post.

It is hard to draw absolute comparisons between the ad spends of the various clearing banks, since each one tends to focus on promoting different services at different times, distributing its budgets accordingly.

However, according to the Media Expenditure by Analysis Ltd (MEAL) figures, the main four British clearing banks spent the following sums on their business-to-business advertising in 1984: Midland £137,000, Barclays £150,000, Lloyds just under £2m, and National Westminster £3.5m.

On the international side, amounts spent by Lloyds, Barclays and Midland last year were minimal, at less than £200,000, with Nat West marginally more at about £800,000. Perhaps a more apt indicator would be Citibank, the aggressive U.S. owned international bank, which is estimated by industry sources (based on the 1984 Rome Report which monitors ad spend in international press media) as spending around $5m on its international advertising.

Pink and puzzling

LAUNCH fever in the publishing industry burns on. "It's pink and perky," cry the ads announcing the latest offering from the "free" newspaper world. Brighton and Bournemouth have been chosen as the launchpads for what publisher Home and Law Magazines is calling "the first of the third generation of local newspapers."

The first generation was the paid-for papers, then came the free sheets and now there is "The Entertainer." It is certainly different. There is no editorial for a start. Or rather the editorial is all entertainment — that is puzzles, crosswords, cartoons, zodiac and television guides, prize competitions — anything to keep the reader "tied-in" for hours. These are fringed on all sides by ads — classified looking suspiciously like editorial, and display. And it's printed on pink paper.

The Entertainer is free, weekly and targeted by area. The concept has not been researched yet — "how can you research something no one's ever seen before?" says chairman Philip Davies, but if research findings look promising after the launch (on May 15), there are plans to expand town by town until the whole country is on the receiving end of its own Entertainer. This would undoubtedly beef up the battle of local newspapers and mean tougher competition ahead for many free titles.

Home and Law, which was largely taken over by Ladbroke last year, recently branched into the paid-for market, by adding the number two and three bridal magazines "Wedding Day and First Home" and "Amour for Brides." These have been merged to form "Wedding and Home," "to challenge Conde Nast's 'Brides Magazine' head on," Davies says.

Facts and figures

WHO ARE the highest paid directors in British advertising agencies? And what do they earn? Who has netted the big account wins and who made the losses? Do the highest paid admen and women always produce the best results? Who took over whom and who is in line to go public?

The answers to all these money matters and more, are aired in a pithy new quarterly publication known as The Advertising Agency Review.

Its arrival underlines the fact that the business of advertising is coming increasingly under scrutiny. This is due in part to the City taking a wider interest in the industry as its more aspiring members consider a public listing.

Edited by financial journalist and pungent advertising commentator William Phillips, the review aims to set the record straight, or at least straighter, than any previous comparable attempts. Existing league tables and agency comparisons have been much criticised, tending to be either occasional or inconsistent in their methodology.

Companies House is the source of most of the financial lowdown on the top 250 ad agencies, direct marketing shops and media independents featured, though in time the compilers hope to engage the co-operation of many of the agencies direct. This does mean, however, that currently much of the information is somewhat dated.

"It is by far the most comprehensive survey of business finances to date, shedding light on a sector largely made up of small, private and sometimes secretive companies," says Phillips.

So for industry watchers keen on comparisons or wanting to monitor an agency's performance — be they client, prospective client, analyst, investor, media owner or rival agency — this tome will spell out billings, profits, interest levels, balance sheets, profitability and performance ratios. There are sections, too, on takeovers, launches, account gains and losses and share transactions.

The Advertising Agency Review is available on annual subscription from 11 Bolt Court, Fleet Street, London EC4 3DU. £360 ($430) for four quarterly issues. Tel. 01-583 0361.

RANKING BY HIGHEST PAID DIRECTOR

Agency	Year end	Highest paid (£)	Chairman (£)
Allen Brady Marsh	May 84	305,000	305,000
Yellowhammer	Mar. 84	163,000	
Ogilvy & Mather*	Dec. 83	159,840	159,840
Saatchi & Saatchi*	Sept. 83	141,000	136,520
Bowden Dyble Hayes†	Aug. 83	119,500	24,000
C.D.P*	Dec. 83	109,260	9,000
D'Arcy MacManus*	Dec. 83	101,610	85,028
Benton & Bowles*	Dec. 83	98,064	98,064
SSC & B Lintas	Dec. 82	86,520	86,520
Foote Cone Belding*†	Dec. 82	85,495	85,495

* Subsidiary company.
† Latest accounts filed cover period ending before September 1983.

CANDIDATES FOR FLOTATION

	Claimed billings (£m) 1984	1983	Growth yr/yr/%	Ranking: 1984	1983	Earliest float date
Abbott Mead Vickers	47.75	38.50	24.0	21	21	1985
Chetwynd Streets:						1985
Chetwynd Haddons	22.14	15.15	46.1	45	53	
Streets Financial	18.80	14.55	29.2	51	62	
Gold Greenlees Trott	25.00	15.00	66.7	38	31	Undecided
Grandfield Rork	45.34	31.73	42.9	22	25	Spring 1986
Leagas Delaney	27.75	24.80	11.9	33	34	1986
Reeves Robertshaw	27.50	21.50	27.9	34	35	1986/87
Yellowhammer	17.10	13.60	25.7	56	70	Undecided

Source: "Campaign"

Retailing

Marks & Spencer tries yet again

Tony Thompson examines the travail of the British store chain in Canada

MARKS & SPENCER has had a disastrous decade trying to impose the "British way" on North American consumers. Now, after taking advice from consultants, the company is poised to shake off its roots by making a complete break with its traditional store design.

Instead of open-plan stores, departments will be separated by partitioning, presentation of merchandise will be more adventurous and advertising—always avoided in the UK, though used for many years with mixed success in Canada—will be an important promotional tool. The changes are a signal that M & S is planning to mix it with its competitors in a way more familiar among Canadian retailers and more acceptable to customers.

Since the M & S logo first appeared on the Canadian retailing scene in 1975, the stores have lost money every year, except 1984 when it earned a C$72,000 (£42,000) profit. But for the year ended January 31 1985, M & S's 64 stores lost a total of C$1,196,000.

Fortunately for shareholders, M & S owns two other Canadian chains: the 76-outlet Peoples junior department stores, and D'Allaird's, with 86 shops selling clothes to working women. Both are profitable.

During the year Peoples had an operating profit of C$10,362,000 which, with D'Allaird's C$6,338,000 profit, gave Marks & Spencer Canada net earnings after taxes and expenses of C$7,542,000.

The fundamental difference between the profitable chains and the M & S store operations is one of philosophy and style. Peoples and D'Allaird's are run by Canadians. M & S has been under the wing of a team of senior executives from the UK.

To the surprise of the retailing community and a largely unimpressed public, it seemed in 1975 that M & S had parachuted in replicas of the company's Tunbridge Wells store into Toronto, Vancouver, and Montreal. Even today there is very little visible difference.

The M & S stores were conversions from 20 St Michael Shops, and 51 Walkers Stores, which it took over, along with Peoples Stores and D'Allairds in 1975. At M & S's Baker Street headquarters in London this must have seemed a logical step. The Walkers outlets were sited in prime "High Street" locations in major Canadian towns—mirroring the M & S set-up in the UK. But department stores were beginning their decline in Canada and boutique shops were nibbling at their market share; and both they and department stores were moving into the malls.

Earlier campaigns focused on the St Michael brand name (above) but it has not been a success and has been dropped from current ads

At first, M & S spurned the shopping centres, though it has since changed its mind. This was not the only misreading of the market the British executives made. "They overestimated the strength of the St Michael brand name," says David Rutherford, managing director of advertising agency Ogilvy & Mather, Canada. "Consumers here viewed them as just another middle-of-the-road operator.

"Also there was the inverted snobbery of the British M & S warehouse style layout. This tended to put off the typical middle-class Canadian who has grown up with aggressive exciting store displays," says Rutherford, an expatriate Englishman.

Another fundamental mistake, according to Rutherford, was the removal of fitting rooms. Most North Americans insist on trying garments on before they buy. M & S's record on "returns" meant nothing extra in this market. Changing rooms were reinstated later.

The bland image of M & S stores could have been made a marketing plus, maintains Norman Lowe, president of Norman Lowe Associates, Toronto, M & S's advertising agency before the company moved its account to McCann Erickson.

"We tried to bring this out in the ads," he says. "But the company saw this as apologising for their appearance, even though they resolutely refused to bow to the whims either of the populace or the competition."

Another problem for Lowe was "M & S's philosophical objection to advertising. They considered it to be an unnecessary assault on the bottom line. In a country where a 4 per cent advertising to sales ratio is common in retail business, they don't build the expense into their margins," says Lowe. "So their first reaction is to consider that expense to be a barrier to profitability."

"The most critical marketing issue facing M & S in Canada is that of positioning," says Tony Long, president of Anthony Long & Associates, whose consultancy is retained by several major retail chains.

"To be successful they must find a way to differentiate themselves from their major competition, but do it in a way that will be meaningful to the consumer. Once they have identified this positioning it will have to be heavily supported by a significant investment in promotion—which M & S has been hesitant to do in the past," says Long.

Top management is still quintessentially British. Malcolm Hobbs, who became president last year, joined M & S in Britai in 1963 and worked for the company in the UK and France before going to Canada in 1978. He declined to be interviewed for this article.

However, Clive Coombes, the company's marketing manager, was available to explain how M & S hopes to climb out of the predicament it is in.

Coombes says that advertising was cut back because "we had created a credibility gap with some of the advertising we have done in the past. It looked fabulous in the newspaper and radio ads, and you'd stand outside the store and you'd say: 'Could that be the same company?'"

Advertising will not play a major role until M & S feels it has got its store merchandising right, says Coombes. "We have employed one of North America's leading store design consultants (he won't say which one) and we are putting their recommendations into one store to be completed in June in a Toronto suburb," he says.

For this store, the open plan of the traditional M & S outlet is being abandoned. "The look will be completely different from that in the UK. There will be much more use of display material in terms of mannequins, to give a more fashionable presentation of our merchandise.

"There will also be clear departmental divisions—I mean walled shops within a shop. The food section, for instance, becoming a separate shop called The Food Centre."

If this approach works, Coombes says that advertising will play an important part in communicating the new image.

"I hope this does succeed for them," says Lowe, "and it's not just a stay of execution."

GRANADA · HTV · LWT · SCOTTISH ·

You're about to learn something odd about Economic theory.
It doesn't work in practice.

Take the British commercial TV system; it's based on only *one* network. The American TV system, by contrast, is based on a selection of networks.

And yet British TV gives advertisers better value for money.

To understand how we've turned an Economics law on its head, you need to look at this particular example, of us versus the U.S., in greater detail.

Let's play oligopoly.

In New York, viewers have an excellent choice of channels. There are 3 affiliated networks, 3 Independents, 2 Spanish stations, 2 UHF channels, and 1 Public Broadcast non-commercial station.

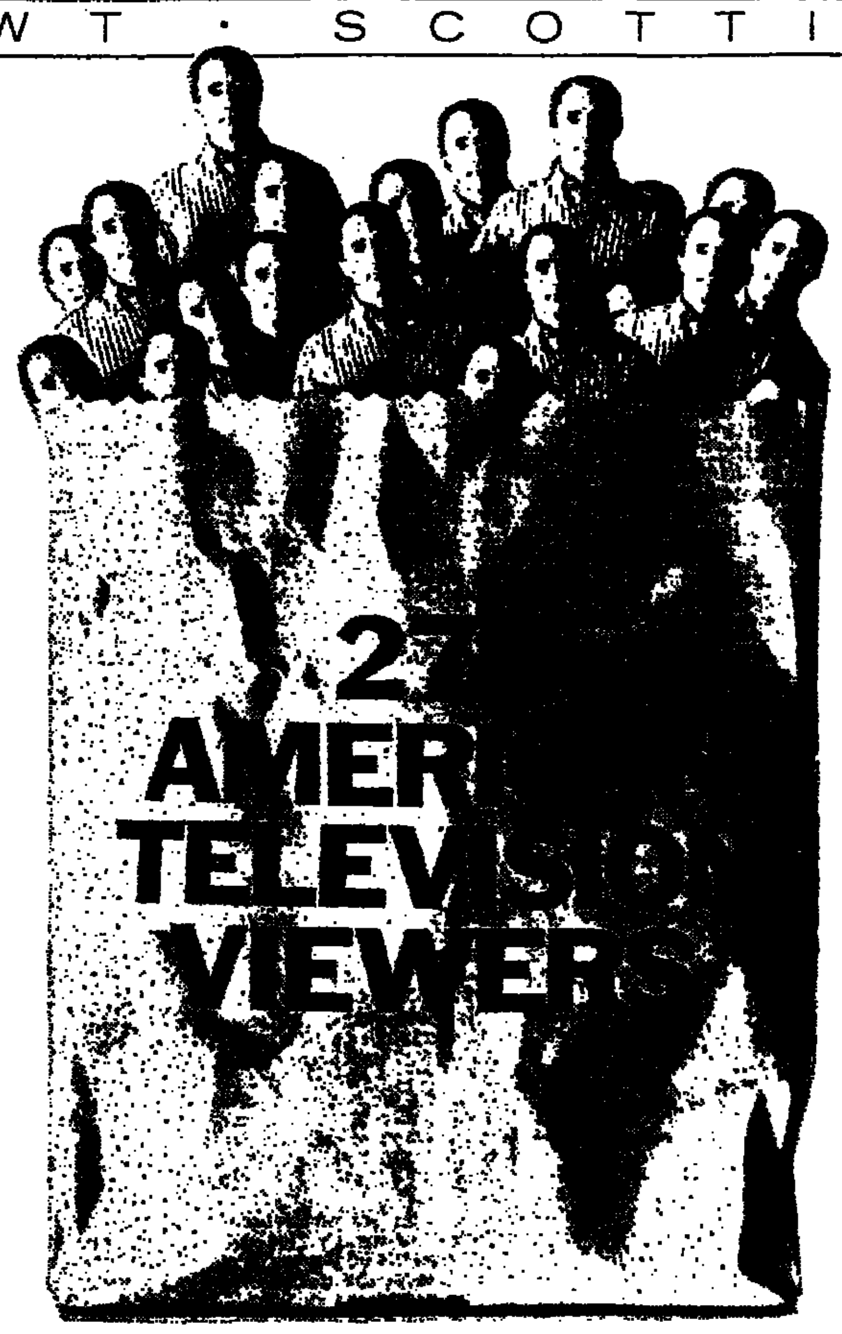
Loosely speaking, this is the equivalent of having ITV 1, 2, 3, 4, 5, 6, 7, 8 – and BBC 1.

You'd think that this embarrassment of riches would make airtime less expensive.

But, in 1984, their average Adult Cost per Thousand was £3.71*.

The comparative figure in Britain was only £3.00.

* 1984 AVERAGE EXCHANGE RATE OF £1=$1.35.



What can you buy for £1?

This is because all those competing U.S. channels are chasing after one, finite, audience.

So the audience fragments, and it becomes harder to reach.

Which is very different from what happens in Britain.

Arfur talks to 'alf the country.

In Britain, a programme like Minder is watched by half the TV audience in the country. (Which may explain why we never see 'Er Indoors; she's indoors watching Minder.)

And the same goes for a great many ITV programmes.

In fact, using the ITV network, you can reach half the TV audience, *with a single ad, 7 days a week.*

In America, that only happens 3 or 4 times a year.

And it's the same story if you look at other countries' TV.

How to grab your viewers down under.

In Australia, for instance, they've got a whole tucker-bag of channels to choose from; but the 1984 average Adult Cost per Thousand was a staggering £4.30.

So, on Everage, it costs a lot more to reach those housewife superstars.

And, if you want to reach half the TV audience with one TV network, 7 days a week... you can't.

So it seems that Britain's one-network system guarantees the best value TV in the world.

And we mean to keep our place in that status quo.

But there's one thing more important than the status quo – the quid pro quo.

Which takes us back, translating very loosely, to our head-line.

THAMES · TSW · TVS · TYNE TEES · ULSTER · YORKSHIRE

ANGLIA · BORDER · CENTRAL · CHANNEL · GRAMPIAN ·

· ITV AND CHANNEL 4 THE BEST VALUE TV IN THE WORLD ·

TECHNOLOGY

EDITED BY ALAN CANE

SOFTWARE DEVELOPMENT

4th generation languages boost productivity

Managers ignore at their peril the potential contribution of fourth generation languages in the impending software crisis, writes Alan Cane

DATA PROCESSING professionals are ignoring some of the most powerful software development tools available because of cost, because they think they are not relevant to their problems or because they are unaware of the potential benefits from their use.

Inbucon, a London-based management consultancy, found that only 171 out of about 600 companies surveyed for a special study were using development products called fourth generation languages (4GLs).

Yet the report largely confirms the claims of 4GL suppliers that they can lead to considerable productivity gains.

Increases in programmer productivity and decreases in development time of between four and 10 times are claimed, together with dramatic reductions in the work needed to maintain the software.

Dr Geoffrey Forage, who headed the Inbucon team which carried out the survey said: "There really are major benefits to be had from the use of 4GLs, although there are implications in terms of machine loading."

He warns, however: "Our own experience from working with our clients is that in many cases the correct product could dramatically improve systems development and maintenance activities.

"Conversely, the selection of inappropriate software could seriously affect machine performance and worsen development problems."

The first generation of computer languages was very primitive, sets of 0s and 1s representing electronic impulses put together in simple codes read directly by the computer.

Second generation languages substituted mnemonics for binary digits—LDA instead of 010101 for "load accumulator," for example—but it was not until high level or third generation languages evolved that it was possible to give commands to a computer in anything like everyday language.

Fourth generation languages were introduced as a partial answer to the problem of generating increasingly sophisticated and comprehensive computer systems.

The most pressing problem for data processing managers, study after study has shown, is meeting project deadlines and reducing the backlog of development and maintenance work.

A traditional solution has been to instal a package, a piece of software written for a specific application but in such a form that it can be sold, unmodified, to a number of customers each of whom reaps the benefits of the economies of scale obtained.

But as Inbucon points out: "Packaged application software, one solution to the problem, only covers fairly standard sets of requirements. Most medium or large organisations still need to undertake bespoke (or custom) software development and this has now become the target for the newer efficiency and productivity aids."

So 4GLs evolved as application generation tools, pieces of software which made it easier for programmers to develop other programs.

Inbucon says that a 4GL should offer seven features in a single, integrated package:

- A fast and efficient means of developing a complete application.
- High level (that is, natural language like) programming.
- File definition and maintenance.
- Screen or form based input and validation.
- Report generation.
- Query processing.
- Communications interfaces.

All of this makes it considerably easier for programmers to write software. Consequently they write it faster and more accurately—and that reduces the overall cost.

It also makes possible "prototyping," creating a prototype of an application quickly and without too much concern for absolute accuracy to see whether it really is what the customer wants. (Customers are notoriously bad at making clear what they really want when they specify computer systems—rewriting a system to suit takes time, money and patience.)

4GLs reduce the need for extensive technical expertise in development staff, Inbucon claims, freeing them to concentrate on the business needs of their customers rather than the programming implications of design.

There is, however, an overhead to be paid when using a 4GL. The load on the computer inevitably increases because of all the processing power being used up making life easier for the programmer.

Inbucon says: "The extra loading is not as high as feared, however, and some users (7 per cent) even claim reduced loadings as a result of using 4GLs. About a quarter of users claim a machine loading more than double that to be expected with traditional methods."

Inbucon asked respondents to the survey to give detailed assessments of the performance of some of the main 4GLs.

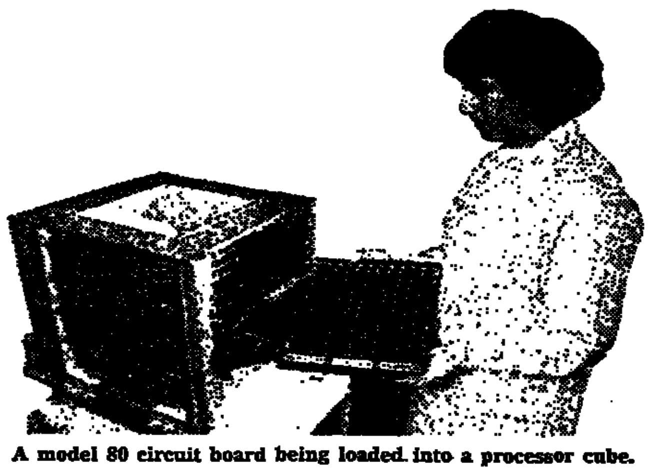
These showed that "Access" from Systime, for example, could, when used for a very specific application, reduce the timescale taken for development to under 10 per cent of traditional methods.

More commonly, "Mapper" from Sperry cuts the time for system implementation to less than 40 per cent of the traditional timescale. Similar figures were recorded for Burroughs's "Linc."

For the future, Inbucon sees 4GLs bringing software development closer to the user.

Fourth Generation Languages, Inbucon £85; Tel: 0372 67621.

State of the art at ICL



A model 80 circuit board being loaded into a processor cube.

SOMETHING OLD, something new, something borrowed . . . but nothing blue. ICL's new generation mainframe computers, the Series 39 models 30 and 80 launched yesterday, are the most technologically advanced ever from the UK-based manufacturer, but their special features reveal their ancestry and their heritage.

First, something old. The Model 30, codenamed DM/1 while in development and basically an office supermini to which 200 users can be connected simultaneously and the top-of-the-line Model 80, codenamed Estrielle, both feature as standard ICL's Queen's Award winning high-speed database searching device, CAFS/ISP (Content addressable file store/Information search processor).

CAFS/ISP is a brilliant product which makes it possible to search the electronic equivalent of 1,200 pages of text a second through a combination of hardware and software techniques—even if it was developed over a decade ago.

Another feature of the Series 39 which betrays its ancestry but which will be welcomed by ICL users is the operating system, VME.

The operating system controls the inner workings of the computer and, in particular, the way it runs applications software. Every computer user's nightmare is that their manufacturer will change the operating system so drastically when it introduces a new range of machines that they will have to rewrite all their applications—massively time consuming and hugely expensive.

IBM learnt that lesson when it established System /360 with the operating system OS/360 as the industry computing standard back in 1963. ICL learnt it all over again when it moved from its first computer family, the 1900s to 2900 series in the early 1970s.

So the Series 39 operating system is tried and tested and applications can, by and large, be run on any machine in the 2900 and Series 39 families.

What is new in the Series 39 machines is the fibre optic link called Macrolan which ICL is using to interconnect the units which make up the new systems. The link operates at speeds of up to 50m bits a second and is the data highway between high-speed disc files, magnetic tape storage units and the fundamental element of the Series 39 family, the node.

The node is the basic processing unit with order code processor, storage, input and output controllers and what ICL terms the "node support computer"—a small diagnostic microprocessor which keeps an eye on the main computer.

ICL claims that a single 39/80 is more than 30 per cent more powerful that a single processor IBM 3083JX, while a two-node system has 75 per cent of the power of the recently announced IBM 3090/200 flagship system.

Soon ICL expects to be able to announce a four-node configuration giving an approximate power of 40m instructions a second.

ICL says: "The ICL two-node Level 80 system requires only one quarter the environmental resources—space, power, heat dissipation of the IBM3090/200 and thus incurs only one-quarter the installation and running overheads."

Still with the new, ICL claims to be making the world's first use of 8000 gate CMOS chip technology. In the 39/80 it is using for the first time emitter coupled logic (ECL) chips, the fastest available and it is using 256,000 bit memory chips.

It has borrowed from its technological partner, Fujitsu of Japan, much of the chip technology. Fujitsu built 43 different chips to ICL's design for the new machines. The chips are cooled by air forced across metal caps fixed directly to the chip surfaces in a manner exactly similar to the way Fujitsu air cools its own machines.

Fujitsu learnt the technique from Gene Amdahl who originated the idea that very large scale integrated chips could be air cooled. IBM cools its big systems with water using a device it calls the thermal conduction module.

There is nothing blue—the IBM colour—in the new ICL processors. They are not IBM compatible (able to run IBM software unchanged) nor are they meant to be. They can, however, be connected to IBM systems through a conversion device called a "gateway" which translates between one system and the other.

A.C.

Marijuana can cure glaucoma

JAMAICAN folk lore has long held that marijuana, extensively and illegally cultivated on the island, has valuable medicinal properties.

One persistent claim has been that marijuana is good for the eyes.

Two Caribbean scientists have now proved a scientific link and after a decade of research, have developed and patented a drug for the treatment of glaucoma, among the leading causes of blindness in Jamaica.

Professor Manley West of Jamaica, head of the Pharmacology Department of the University of the West Indies, and Dr Albert Lockhart of St Vincent, a former head of the Ophthalmology Department of the Kingston public hospital, financed the work out of their own pockets except for a C$200,000 grant from the Canadian Government six years ago.

Glaucoma, brought on by high intraocular pressures which damage the optic nerve, leads to blindness if untreated. The pressure is caused by a build-up of liquids in the eyeball.

Professor West and Dr Lockhart identified an active agent in marijuana which significantly lower intraocular pressure in glaucoma victims.

The medicine applied as eye drops, has been patented and is being marketed under the name Canasol.

Eye liner

A CONVENTIONAL IBM PC (basic, XT or AT) can capture any image that can be viewed using a standard video camera through the addition of a special digitiser, PC-EYE built by Chous Data and distributed in the UK by Techex.

The captured image can be displayed, stored, processed, manipulated, printed or remotely transmitted. More on 0202 571181.

Ferranti's measure

A COMPUTERISED inspection machine capable of accurately measuring engineering structures of 12 metres or more in length has been developed by Ferranti Industrial Electronics of Edinburgh.

Known as Jupiter, the machine was designed initially for the inspection of aircraft assembly fixtures, fuselage sections and complete wings. But Ferranti also hopes to sell the system to the heavy engineering, shipbuilding and offshore industries.

Jupiter will be custom-built to an agreed specification for size and accuracy. It operates in three axes, deploying a vertical probe column, a lateral, horizontal bridge and longitudinal overhead granite guide rails on massive floor-mounted beams.

Circuit breaker confusion

THE USE of solid state circuits to control domestic and industrial appliances such as refrigerators and washing machines can confuse conventional circuit breaking equipment installed to operate in the case of an earth fault (residual current operated circuit breakers or RCBs).

According to the UK electrical company MK Electrics, earth faults in equipment containing solid state devices can result in a pulsating direct current which can desensitise ordinary circuit breakers. Its latest units, therefore, are designed to trip and break the circuit if the alternating fault current wave form (the usual trigger) contains a pulsating direct current component. More from MK on 01-803 3355.

Low cost software for board design

BY GEOFFREY CHARLISH

RACAL REDAC of Tewkesbury, British printed circuit board design system specialist, has developed software for use on any IBM personal computer and several compatible machines.

Costing only £13,000, the software, called Redboard, yields computer-aided design facilities comparable with those on systems costing several times as much.

Most electronics companies of any size have now accepted the need for computer assistance in board design. Boards containing hundreds of integrated circuits with multilayer interconnections defy manual design techniques and call for the larger systems already offered by a number of companies including Redac.

The system can cope with boards containing up to 200 integrated circuits with tracks on both sides. Later, the company plans to introduce software for multilayer boards. Typically, the system can route the connections on a board containing 20 integrated components in about two minutes.

Redac, which claims to be Europe's leading supplier of PCB design systems with 35 per cent of the market, has thus joined the growing band of companies acknowledging the dominant position of the IBM PC for workstations of all kinds. To date, Redac's systems, all further up market, have been based either on Apollo computers or on proprietary processors.

"The high power and low cost of the PC are overwhelmingly attractive," says Mr Ian Orrock, managing director of Racal Redac. He emphasises that Redboard is not just a simple on-screen draughting system, but allows interactive design to be carried out. Placing of components on the board, routeing of the connecting tracks and design-rule checking are all carried out automatically.

Redboard is not coming "cold" to the European market. In the past eight weeks Redac, holding only a handful of symposiums and with no media publicity, has already sold 115 systems in the U.S. Orrock expects to sell 10,000 systems world-wide over the next three or four years.

Redboard can be used in conjunction with Redlog, introduced earlier this year, which allows designers to capture data from an electrical schematic, ready for layout and routeing.

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FINANCIAL TIMES

Thursday April 25 1985

Nestlé unit returns to Eurodollar market, Page 52

WALL STREET

Difficulty in extending sharp gains

STOCK prices found difficulty yesterday extending the sharp gains chalked up on Wall Street late the previous day, while bond prices continued to slide, again taking their cue from the revived strength of the dollar, *writes Terry Byland in New York.*

At 3.30pm, the Dow Jones industrial average was down 1.10 at 1,277.61.

The bond market's hopes of an early cut in the Federal discount rate have been dampened by the warning from Mr Paul Volcker, the Federal Reserve chairman, that it would be difficult to get rates down while U.S. capital markets depend on inflows of foreign capital.

Fed funds remained at 7¾ per cent, and other short-term rates turned back after opening higher. But attempts at a rally in the bond market were unconvincing, and losses of ¼ point or so remained widespread. Attention was focused on the midday auction of $9bn in two-year Treasury notes. In when-issued trading, the yield on the notes edged up to 9.84 per cent ahead of the auction.

In the stock markets, investors were discouraged by the sluggish earnings trend reported by major U.S. corporations. Among the blue chips, General Motors shed a further $⅝ to $70½ as the market digested the news of lower profits but IBM steadied to stand unchanged at $129.

Financial issues *continued to hold* firm, with Chase Manhattan $⅜ to the good at $54⅞ after confirming the purchase of two Ohio thrift companies. Elsewhere, retail and pharmaceutical stocks improved, benefiting both from recent results and from the firmness in U.S. consumer spending, disclosed this week.

The Unocal bid saga showed signs of moving to a conclusion, with the stock falling $1⅛ to $47⅞ as more than 3m shares changed hands before mid-session. Two brokerage analysts advised stockholders to take the Unocal board's offer of $72 a share for 28.8 per cent of the equity.

The analysts expressed doubt whether Mr T. Boone Pickens would try to top the latest Unocal offer, from which the Pickens stake is excluded. Mr Pickens dubbed the Unocal offer "illegal," also softening his reported advice to Unocal holders to take their board's offer. Mesa Petroleum shed $½ to $17¼ after results yesterday.

The leading oil stocks brightened a shade, except for Exxon, $¼ off at $52¼, still under the influence of results. Among the chemical issues, Du Pont slipped $¼ to $57⅞ on its results.

Wall Street gave an almost universal thumbs down to Coca-Cola's decision to change its 99-year formula and the stock fell $1⅜ to $68⅜. However, stock in Pepsico, Coke's chief rival, also weakened, shedding $⅜ to $52⅞.

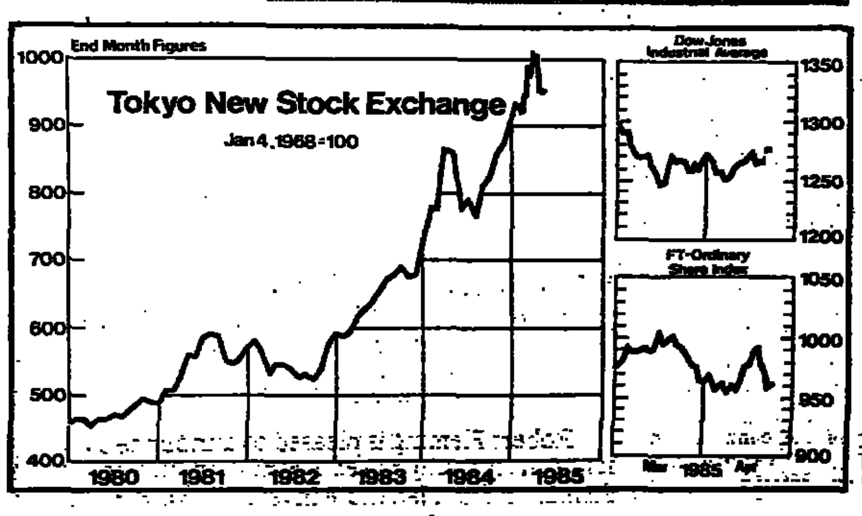
United Airlines was out of favour, falling $1½ to $40⅞ as its pilots threatened to strike. Pan Am, currently planning to sell its Pacific divisions to United, eased $¼ to $5⅝.

In a mixed batch of corporate reports, Inco, the nickel producer, added $¼ to $13⅞ after announcing first-quarter profits, against losses a year ago. Pitney-Bowes, the postage meter manufacturer, edged up $⅜ to $39 after results.

Nabisco Brands, which dominates the U.S. biscuit market, was $½ better at $59⅞ after trading results, but Anheuser-Busch, maker of Budweiser beer, remained steady at $81¼ despite a gain in profits. U.S. Tobacco at $38 was also unchanged on results.

Money market rates fell by 5 to 10 basis points, and three-month Treasury bills were a couple of basis points down. Trading in the bond market died away at midday as the Treasury auction of two-year notes got under way.

KEY MARKET MONITORS



STOCK MARKET INDICES

	April 24	Previous	Year ago
NEW YORK			
DJ Industrials	1,277.61*	1,278.71	1,162.9
DJ Transport	584.26*	586.36	497.22
DJ Utilities	154.95*	155.83	125.92
S&P Composite	182.11*	181.88	158.07
LONDON			
FT Ord	962.5	959.6	899.1
FT-SE 100	1,285.7	1,284.9	1,105.4
FT-A All-share	619.62	619.05	527.79
FT-A 500	680.14	678.86	573.96
FT Gold mines	509.3	507.6	693.9
FT-A Long gilt	10.55	10.50	10.27
TOKYO			
Nikkei-Dow	12,217.77	12,124.14	10,761.8
Tokyo SE	955.27	951.08	845.38
AUSTRALIA			
All Ord.	871.4	860.0	759.1
Metals & Mins.	576.2	565.7	542.0
AUSTRIA			
Credit Aktien	79.76	79.59	54.98
BELGIUM			
Belgian SE	2,233.86	2,233.29	–
CANADA			
Toronto			
Metals & Minls	2,028.2*	2,022.6	2,152.0
Composite	2,648.1*	2,636.5	2,321.5
Montreal			
Portfolio	130.84*	130.45	112.18
DENMARK			
Copenhagen SE	192.70	192.44	196.11
FRANCE			
CAC Gen	213.6	213.0	173.4
Ind. Tendance	116.8	115.9	91.2
WEST GERMANY			
FAZ-Aktien	426.03	424.85	349.27
Commerzbank	1,232.7	1,230.4	1,021.6
HONG KONG			
Hang Seng	1,517.30	1,511.63	1,070.02
ITALY			
Banca Comm.	274.93	275.14	216.78
NETHERLANDS			
ANP-CBS Gen	208.1	206.4	157.8
ANP-CBS Ind	168.1	166.4	125.7
NORWAY			
Oslo SE	321.23	316.26	280.59
SINGAPORE			
Straits Times	796.06	795.04	993.27
SOUTH AFRICA			
Golds	n/a	1,094.9	1,042.4
Industrials	n/a	971.6	1,065.1
SPAIN			
Madrid SE	109.49	110.02	81.53
SWEDEN			
J & P	1,448.85	1,435.35	1,523.15
SWITZERLAND			
Swiss Bank Ind	420.7	418.0	371.6
WORLD	Apr 23	Prev	Year ago
Capital Int'l	203.7	204.0	186.6

GOLD (per ounce)

	Apr 24	Prev
London	$322.75	$326.50
Zürich	$321.75	$326.25
Paris (fixing)	$319.49	$325.55
Luxembourg	$323.00	$325.80
New York (June)	$325.10*	$325.60

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Apr 24	U.S. DOLLAR Previous	STERLING Apr 24	STERLING Previous
$	–	–	1.225	1.252
DM	3.119	3.072	3.825	3.845
Yen	251.35	249.65	308.0	312.25
FFr	9.505	9.365	11.625	11.72
SwFr	2.6	2.5475	3.18	3.1925
Guilder	3.522	3.4725	4.32	4.35
Lira	1,986.0	1,960.0	2,444.0	2,454.0
BFr	62.75	61.7	77.0	77.25
C$	1.3525	1.358	1.675	1.7025

INTEREST RATES

	Apr 24	Prev
Euro-currencies (3-month offered rate)		
£	12⅝	12⅝
SwFr	5⅜	5 5/16
DM	5⅞	5 15/16
FFr	10⅝	10⅝
FT London Interbank fixing (offered rate)		
3-month U.S.$	8⅝	8½
6-month U.S.$	9	8 15/16
U.S. Fed Funds	7¾*	7⅞
U.S. 3-month CDs	8.05*	8.10
U.S. 3-month T-bills	7.75*	7.77

U.S BONDS

	Apr 24* Price	Apr 24* Yield	Prev Price	Prev Yield
Treasury				
10¾ 1987	101 28/32	9.80	101 19/32	9.82
11¾ 1992	103	11.12	103	11.12
11¼ 1995	100 6/32	11.22	100 6/32	11.23
11¼ 2015	99 9/32	11.34	99 9/32	11.33
Corporate				
AT & T				
10⅜ June 1990	96⅜	11.40	96⅞	11.30
3⅞ July 1990	74⅜	10.28	75	10.18
8¾ May 2000	77⅞	12.05	77⅞	11.95
Xerox				
10⅞ March 1993	94⅜	11.75	94⅞	11.65
Diamond Shamrock				
10⅜ May 1993	93½	11.95	93¾	11.85
Federated Dept Stores				
10⅜ May 2013	88.003	12.20	88.253	12.10
Abbot Lab				
11.80 Feb 2013	96.936	12.25	97.186	12.15
Alcoa				
12¼ Dec 2012	96.661	12.75	96.911	12.65

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	71–07	71–16	71–04	71–12
U.S. Treasury Bills (IMM) $1m points of 100%				
June	92.06	92.10	92.02	92.03
Certificates of Deposit (IMM) $1m points of 100%				
June	91.44	91.47	91.38	91.38
LONDON				
Three-month Eurodollar $1m points of 100%				
June	91.08	91.09	90.98	91.15
20-year Notional Gilt £50,000 32nds of 100%				
June	106–27	107–08	106–16	107–07

COMMODITIES

(London)	Apr 24	Prev
Silver (spot fixing)	498.05p	499.90p
Copper (cash)	£1,229.00	£1,215.75
Coffee (May)	£2,112.50	£2,084.00
Oil (spot Arabian light)	$27.55	$27.60

TOKYO

Attempt to recover lost ground

BIOTECHNOLOGIES staged a sharp rally in Tokyo yesterday, sending the Nikkei-Dow market average higher for the first time in three sessions, *writes Shigeo Nishiwaki of Jiji Press.*

Constructions, asset-heavy stocks and some blue chips drew small-lot buying, but most investors remained on the sidelines.

The 225-issue indicator advanced 93.63 to 12,217.77, but gainers barely outnumbered losers by 380 to 369, with 163 issues unchanged. Volume fell to 298m shares from Tuesday's 303m.

Unable to predict price moves, investors were hesitant to participate in the market. The dealing divisions of brokerage houses were restrained from active trading, with transactions for delivery within this month ending today and a holiday-studded week starting on Monday.

Reflecting the imminent start of clinical tests on the anti-cancer tumour necrosis factor (TNF), Asahi Chemical added Y36 to Y845. Toyojozo soared Y110 to Y1,660 and Dainippon Pharmaceutical Y240 to Y4,480.

This triggered advances among makers of other types of biotechnology-related anti-cancer drugs. Green Cross scored a daily limit gain of Y200 to Y3,100, while Yamanouchi Pharmaceutical closed Y100 up at Y3,100 and Mochida Pharmaceutical soared Y470 to Y9,320.

Light buying prompted by the overnight rise on Wall Street pushed up some blue chips, with Hitachi and Sony gaining Y10 to Y812 and Y30 to Y4,270, respectively. Honda Motor, which reported a record high profit for the business year ended last February, finished at Y1,340, up Y50. Ricoh also added Y47 to Y933, mirroring brisk demand for information equipment.

The busiest issue was Sanko Steamship, which attracted speculator interest. It went up Y20 to Y129, with 23.93m shares changing hands. Hopes for government measures to stimulate domestic demand sent Mitsui Construction Y9 higher to Y351 on the second heaviest trading volume of 11.15m. Aoki Construction was also traded actively, but closed unchanged at Y770.

Asset-heavy Sumitomo Warehouse finished Y14 up at Y334 and Tokyo Corp Y6 up at Y360. But non-ferrous metals lost ground as the yen dropped against the U.S. dollar, with Dowa Mining losing Y14 to Y765.

In the bond market, leading financial institutions retreated in response to the U.S. Federal Reserve Board's hints at difficulties in lowering interest rates and the resultant decline in the yen. Only trust banks bought a small amount of bonds offered by small financial institutions. The yield on the benchmark 7.3 per cent government bonds maturing in December 1993 rose to 6.582 per cent from 6.565 per cent.

SOUTH AFRICA

RENEWED weakness in the bullion price was translated into an easier trend among Johannesburg gold shares.

Buffels surrendered some of its recent strength with a R2 drop to R87, while Driefontein dipped R1.50 to R53 and Free State Geduld turned R1.50 cheaper at R55.

Platinum issues and mining financials reflected the trend in golds as Rustenburg eased 50 cents to R17 and Anglo American dipped 40 cents to R26.60.

Elsewhere, Barlow Rand moved against the slightly firmer trend in industrials with a 10-cent fall to R11.35.

CANADA

MODEST rises in Toronto followed the early advance on Wall Street.

Inco, the most active issue of the session, dropped C$¼ to C$18⅜ after Tuesday's reported profit recovery in the first quarter. Shell Canada firmed C$¼ to C$28⅜ and Gulf Canada traded C$⅛ off to C$19⅞.

Banks in Montreal made most progress as industrials suffered light losses. Mines firmed slightly.

EUROPE

Peak proves slippery for Frankfurt

RENEWED strength in the dollar left investors refocusing on export-oriented stocks in early Frankfurt trading yesterday, taking the mid-session calculation of the Commerzbank index – up 2.3 at 1,232.7 – to a third successive record high.

However, the latest indications of slower U.S. economic growth made the market edgy and a late round of profit-taking left prices closing mixed on the day.

On the domestic front, the flow of positive corporate news from the Hanover trade fair, which had buoyed prices in recent sessions, failed to provide further impetus.

The banking sector was a particular casualty of the stronger dollar. Deutsche Bank shed DM 2.70 to DM 469.50, Dresdner 90 pfg to DM 210.50 and Commerzbank DM 1.20 to DM 171.

Chemicals eased with Bayer's confirmation of an expected DM 9 dividend for 1984 coming after the market had closed. Bayer fell 20 pfg to DM 213.80, Hoechst shed 70 pfg to DM 214.30 and BASF eased 20 pfg to DM 205.50.

Car maker Daimler was a major winner of the day, adding DM 14 to DM 681 in further reaction to its acquisition of a majority stake in Dornier. The rest of the sector was mixed, with BMW down DM 3 while Volkswagen put on DM 1.80 to DM 207 and Porsche rose DM 38 to DM 1,233.

Among electricals, Siemens fell DM 1.70 to DM 544.50 and AEG was 80 pfg lower at DM 112. Brown Boveri, paying an unchanged DM 6 dividend and seeking approval to increase authorised capital by up to DM 20m, fell DM 1.40 to DM 213.50.

Stores saw Karstadt recover some early lost ground ending 50 pfg lower at DM 224. Kaufhof was DM 1 lower at DM 222 and Horten finished unchanged at DM 170.

Some heavy buying enabled bond prices to pick up much of an early decline and the Bundesbank bought DM 21.5m of paper after sales totalling DM 13.2m the previous day.

Amsterdam returned to the advance, with prices buoyed by Wall Street's overnight performance and the stronger dollar. The ANP-CBS General index added 1.7 to 208.1, while the Industrial index was at a high for the year, up 1.7 at 168.1.

The usually inactive share Fokker gained Fl 10 to Fl 120 as investors registered their confidence in the outlook after Monday's annual report.

Philips, which announced that first-quarter results were in line with expectations, slipped 20 cents to Fl 56.80, ex its Fl 1.40 dividend.

Akzo opened Fl 1 higher but profit-taking pared the gain to a 40-cent advance for a close of Fl 115.40.

Builder HBG rose Fl 3.90 to Fl 131.90 ahead of today's annual report.

Insurers were higher with Amev up Fl 5.80 to Fl 238.30, while Aegon was Fl 1 ahead at Fl 179. Among the banks, NMB put on Fl 1.50 to Fl 174, while ABN added Fl 1 to Fl 430.50.

Bond prices eased in relatively quiet trading. The new 7.75 per cent state loan, which on Monday raised Fl 1.25bn, fell to 99.60 per cent, compared with its 100.20 per cent issue price.

Analysts said that the central bank's report, which expressed concern about the state's ability to reduce the budget deficit significantly, had little impact on the market.

Zurich ended steady, underpinned by U.S. influences and a continued flow of favourable company results.

Union Bank of Switzerland added SwFr 10 to SwFr 3,690 after it said that first-quarter cash flow was considerably higher than in the same 1984 period. Crédit Suisse, which announced higher first-quarter gross profits, was unchanged at SwFr 2,420.

Swiss Volksbank dipped SwFr 10 to SwFr 1,460, despite the announcement of sharply higher first-quarter results. Swiss Bank Corp gained SwFr 6 to SwFr 385 and Bank Leu was SwFr 40 ahead at SwFr 3,560.

In the chemicals sector, Sandoz firmed SwFr 150 to SwFr 7,850 in response to its 20 per cent increase in first-quarter sales. Ciba Geigy moved up SwFr 25 to SwFr 2,885 ahead of its announcement, late in the day, of interim results.

Hero was a further SwFr 175 higher at SwFr 4,225 in advance of the shareholders meeting, after the bourse had closed, while Nestlé picked up SwFr 30 to SwFr 6,500.

Bonds were steady in moderate trading.

Paris was firmer, led by a FFr 80 advance to FFr 1,550 in Avions Dassault. Lesieur was FFr 32 higher at FFr 767 while Club Med put on FFr 43 to FFr 1,095, on expectations of a strong earnings statement later in the week.

Brussels was mixed in light trading. A BFr 55 rise to BFr 4,225 by Solvay was seen as a delayed reaction to last week's sharp rise in consolidated 1984 earnings.

Stockholm and **Milan** were firmer but **Madrid** was again lower, in light trading.

LONDON

Foreign favourites in focus

THE resurgence of the dollar dampened hopes of lower interest rates in London yesterday. Equity investors focused their buying power on international issues late in the session and the FT Ordinary index, down 2.2 at 3pm, closed a net 2.9 higher at 962.5, its first gain in four sessions.

Although some recent U.S. favourites were again spotlighted, a host of *Australian shares* traded in London featured after the record overnight close in Sydney.

BHP and CRA each added 22p to 318p and 362p respectively while MIM Holdings firmed 10p to 174p.

Profit-taking dogged gilts. Longs retreated ¾ before recovering to settle a net ¼ off, with shorts suffering a similar decline. Index-linked issues fell ⅛.

Chief price changes, Page 44, Details, Page 45; Share information service, Page 46–47.

AUSTRALIA

THE RECORD pace in Sydney was underpinned by strong overseas buying that centred on resource issues. The All-Ordinaries index gained 11.4 to an all-time high of 871.4, while the All Resources index rose 12.0 to 607.9.

BHP continued to find favour with a 22-cent rise to A$5.92 ex-all, a 42-cent rise so far this week, while CRA featured again with a 18 cent gain to A$6.78 after Tuesday's 22 cent rise.

HONG KONG

LATE profit-taking by local investors partly offset foreign institutional buying in Hong Kong as the Hang Seng index rose 5.67 to 1,517.30.

Jardine Matheson fell 20 cents to HK$12.30, while Jardine Securities, which put on 30 cents to HK$14, was again supported by speculation that it might sell its 9 per cent stake in Hongkong Land, which finished steady at HK$.80.

SINGAPORE

EARLY GAINS were eroded in Singapore although the Straits Times managed to hold onto a rise of 1.02 points to finish at 796.06.

Banks were ahead by the close as OCBC firmed 10 cents to S$9, DBS picked up 5 cents to S$6.05 and Malayan Banking at S$5.90 traded 5 cents higher.

Prices at 3pm, April 24

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/ E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	16⅛	AAR	.48	2.8	13	119	17	16¾	16⅞	−¼
19½	9⅜	AGS			11	29	13½	13¼	13½	+⅜
16⅛	9⅝	AMCA				13	10⅝	10⅛	10⅝	
21	13½	AMF	.50	2.5	58	1516	20¼	19⅝	20⅛	+⅜
43¼	24¼	AMR			9	5730	40½	40	40	−⅛
21¼	18⅝	AMR pf2.18		10		24	21¼	21⅛	21¼	+⅛
25⅞	22⅞	ANR pf 2.67		11		201	25¼	24⅝	24⅝	−⅜
14¼	8½	APL			37	23	8⅝	8½	8½	
66⅞	44⅜	ASA	2	3.8		234	52⅜	51¾	52⅛	−⅛
27	14⅜	AVX	.32	2.1	12	93	15⅛	15	15	−⅛
54	36¾	AbtLab 1.40		2.7	15	750	51½	51⅛	51¼	+⅛
25⅞	17	AccoWd .44		1.9	18	55	22⅝	22¼	22⅝	+⅝
22	12½	AcmeC .40		2.8		15	14⅝	14⅜	14⅜	−½
10½	8¼	AcmeE .32b		3.6	11	17	8⅞	8⅝	8⅞	+⅛
17⅜	15	AdaEx 2.11e		13.		64	16⅞	16¾	16¾	
20	11⅞	AdmMl .32		2.1	6	11	15¼	15⅛	15¼	
19½	8⅜	AdvSys .53t		5.5	16	476	9⅝	9⅜	9⅝	−⅛
41⅛	25⅛	AMD			12	1306	29⅜	28¾	28¾	−½
12¾	6⅞	Advest .12		1.3		59	9⅛	8⅞	9⅛	
14⅝	8¾	Aerflex			12	13	12⅜	12¼	12¼	
42⅝	27¼	AetnLf 2.64		6.3	40	5997	41¾	40⅝	41⅝	+⅜
56¾	52⅜	AetL pf5.83e		11		117	55½	55½	55½	−¼
35	15¾	Ahmns 1.20		3.5	14	818	34½	34	34	−¼
4⅛	2½	Aileen			21	33	2⅞	2¾	2¾	
51	38⅝	AirPrd 1.20		2.5	11	860	49⅛	48¾	48¾	−¼
24⅜	13	AirbFrt .60		3.3	10	547	18½	18	18	−⅜
2	1	AlMoa s			23	101	1⅝	1⅝	1⅝	
[illegible]										

Continued on Page 43

AMERICAN STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, April 24

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
7¼	3⅞	ADI n			23	28	5½	5¼	5½	+¼
14¼	8¼	AL Lab	.20	1.4	13	18	14¼	14⅛	14¼	
22⅝	12	AMC n	.12	.6	15	27	21⅛	21	21⅛	+⅛
5⅞	2⅜	AM Intl				80	4⅛	4	4⅛	
78¾	56	ATT Fd	5.05e	6.4		78	u79⅛	79	79	+⅛
6	2⅛	AcmePr				6	3½	3⅜	3⅜	
14⅛	8½	AcmeU	.32	3.2	19	19	10	9¾	10	+¼
18¼	9¾	Action			20	369	10⅝	10¼	10⅝	+⅜
8⅛	3	Acton				108	4⅛	4	4⅛	+⅛
30½	17¼	AdRusl	.14	.5	21	6	30	29¾	29¾	
24¼	15	Adobe	.28	1.5	12	16	18¼	18⅛	18¼	+⅛
8⅜	4½	Aeronc			5	203	6⅜	5¾	5¾	−⅝
45⅜	27⅛	AhlPb s	.60	1.3	20	9	45	45	45	+¼
9¾	5¾	AirExp			24	8	6⅝	6⅝	6⅝	
11⅞	5⅞	AirCal			12	42	8	7¾	7⅞	−⅛
10⅞	9¾	ArCal pf				78	10¾	10⅝	10¾	+⅛
5	1¾	Alamco			47	124	2	1¾	1⅞	
101	65½	Almito n			10	46	96¼	94	96¼	+2
10⅝	6⅜	AlbaW			23	2	7⅞	7⅞	7⅞	
9	5⅝	Alona				16	6⅜	6¼	6⅜	+⅛
19	9½	Alphaln	.05	.5	14	717	10⅝	10	10⅛	−¾
1	9-16	Altex				60	1⅛	1⅛	1⅛	
5-16	⅛	Altex wt				1	3-16	3-16	3-16	
36	28⅝	Alcoa pf	3.75	11.		z100	33	33	33	+⅛
28⅛	11	AlzaCp			53	244	25½	24¾	24⅞	−⅜
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 44

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued from Page 42

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34⅝	24⅛	WhitC	1.50	5.6		545	26¾	26⅝	26¾	
45½	36⅝	WhitC pfC	3	7.4		4	40½	40½	40½	+¼
29⅞	17⅝	Whiteh			10	3	25	24⅞	25	+⅛
25½	14½	Whittak	.60	2.6	10	79	23¼	23	23¼	+⅛
12¼	6⅝	Wiebldt		4	3	9	10⅛	10⅛	10⅛	−¼
14⅞	8	Wilfrd n			11	3	10⅞	10⅞	10⅞	+⅛
31⅞	22¾	William	1.40	4.6	7	757	30⅜	30	30⅛	+⅛
5	2	WilmEl				57	4¾	4⅝	4⅝	−⅛
9	6⅛	WilshrO	.10	1.5	15	27	6⅞	6¾	6¾	
35¾	25⅜	WinDix	1.68	4.8	13	25	35	34¼	34½	−½
20⅞	7¾	Winnbg	.10e	.7	11	2619	13¾	13¼	13⅝	
13⅜	5⅛	Winner			50	120	8	7¾	8	+¼
7⅞	3¾	WinterJ				29	5¼	5⅛	5⅛	
34	25⅝	WiscEP	2.28	6.7	8	214	33⅞	33⅝	33⅞	+⅛
81½	66⅝	WisE pf	8.90	11.		z120	81½	81	81	
75	59½	WisE pf	7.75	10.		z100	74	74	74	+1½
35¼	25⅝	WiscPL	2.64	7.8	9	x138	34⅛	33⅞	34	+⅛
33¾	25⅛	WiscPS	2.56	7.6	8	34	u33⅞	33½	33½	−⅛
40½	27⅝	Witco	1.48	4.3	8	219	34½	34⅜	34½	−⅛
17	9½	WolvrW	.24	2.4	31	96	10⅛	9⅞	10⅛	+⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
18	10¾	WyleLb	.32	2.7	10	15	12	11⅞	12	
23⅝	17	Wynns	.60	3.3	7	142	18⅝	18¼	18¼	
		X Y Z								
47⅞	33¼	Xerox	3	6.4	19	2411	47⅞	46⅞	47	−⅛
52	45¼	Xerox pf	5.45	10		527	u52⅛	51⅞	52⅛	+⅛
30	24	ZaleCp	1.32	5.0	8	10	26¾	26½	26½	−¼
24⅞	13⅜	Zapata	.84	5.6	16	315	15⅛	15	15⅛	−⅛
60¾	30⅝	Zayre	.40b	.7	15	192	u61	60⅛	60¾	+¼
31¼	18⅛	ZenithE			7	986	21¼	20½	20½	−⅝
21⅞	14⅜	Zero s			17	47	18⅝	18½	18⅝	+⅛
31⅜	21⅞	Zurn	1.32	4.4	11	60	30½	30	30	−½

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begins with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

WORLD STOCK MARKETS

AUSTRIA

Apr. 24	Price Sch %	+ or −
Creditanstalt	514	−6
Goesser	448	.....
Interunfall	766	+26
Laenderbank	303	+3
Perlmooser	440	−5
Steyr-Daimler	167	−1
Veitscher Mag	405	+2

BELGIUM/LUXEMBOURG

Apr. 24	Price Frs.	+ or −
B.B.L.	1,900	−10
Banq. Int. A. Lux	6,150	.....
Bekaert B.	6,410	.....
Ciment CBR	2,400	−5
Cockerill	238	+1
Delhaize	7,770	+70
EBES	3,115	+5
Electrobel.	8,480	−20
Fabrique Nat	1,960	+15
GB Inno BM	3,315	+15
GBL (Brux)	1,940	−20
Gevaert	3,900	+75
Hoboken	6,590	+10
Intercom	2,230	.....
Kredietbank	8,300	+100
Pan Hldgs.	10,800	.....
Petrofina	6,830	.....
Royale Belge	12,300	+100
Soc. Gen. Banq	3,340	+10
Soc. Gen. Belge	1,820	.....
Sofina	7,390	+40
Solvay	4,170	.....
Stanwick Intl.	1,580	+10
Tractionel	4,095	+25
UCB	5,060	+20
Wagon Lits	2,980	−80

DENMARK

Apr. 24	Price Knr %	+ or −
Andelsbanken	311	+6
Baltic Skand	595	.....
CopHandelsbank	335	+8
D. Sukkerfab.	560	.....
Danske Bank	318	+6
De Danske Luft.	1,225	.....
East Asiatic	219	−1
Forenede Brygg.	1,000	.....

GERMANY

NORWAY

AUSTRALIA (continued)

JAPAN (continued)

SPAIN

SWEDEN

HONG KONG

SWITZERLAND

AUSTRALIA

JAPAN

SINGAPORE

SOUTH AFRICA

FRANCE

ITALY

NETHERLANDS

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CANADA

TORONTO

Prices at 1.30pm April 24

Total sales 9,856,786 shares

OVER-THE-COUNTER

Nasdaq national market, 2pm prices

LONDON

Chief price changes
(in pence unless otherwise indicated)

RISES

Aran Energy	46	+5
ANZ	255	+13
Aust. Cons. Min	82	+12
BAT Inds.	340	+12
Beecham	360	+10
Bond Corp.	81	+9
BHP	318	+22
CRA	362	+22
Cad Schw	156	+5
Crusader Oil	155	+15
Debenhams	262	+10
Genoa Oil	95	+18
Glaxo	£12¼	+½
GM Kalg	520	+32
Good Relat	218	+13
MIM Hldgs.	174	+10
Minet Hldgs.	252	+15
Muirhead	180	+38
Resource Tech	44	+10
ReutersB	398	+12
Rown Mack	428	+16
Western Min	237	+18

FALLS

Ex. 12¼% 1990	£104⁹⁄₁₆	−⁹⁄₁₆
Cv 9½% 2004	£91½	−¾
Barclays	347	−11
Bestobell	222	−11
Brown (Mat)	365	−20
Bleeson (M. J.)	214	−20
Spectrum	28	−7
Turriff	280	−25

AMERICAN STOCK EXCHANGE PRICES

Continued from Page 43

Continued on Page 52

LONDON STOCK EXCHANGE

MARKET REPORT

Sterling fall hits Gilt-edged but brings late rally in international stocks

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Apr 15	Apr 25	Apr 26	May 7
Apr 29	May 9	May 10	May 20
May 13	May 30	May 31	June 10

* "New-time" dealings may take place from 9.30 am two business days earlier.

Hopes of lower interest rates reduced further as the dollar yesterday regained some of its recent ascendancy over other international currencies. Sterling slipped to $1.2150 at one stage but equity investors in London were not must moved by the sudden change of sentiment in foreign exchange markets. Enthusiasm for international stocks, natural beneficiaries of a strong U.S. currency showed little real sign of reviving until later in the session, while business in a wide range of leading shares was reduced to minimal proportions. The only marked response came in gilt-edged.

In this area, the pound's three-day dive of around 6 cents and the postponement for the time being of cheaper money trends touched off a fair volume of profit-taking. Longer-dated maturities fell ¾ before edging away from the lowest levels to close a net ⅝ down, while selected shorts sustained falls of similar amounts. Index-linked issues also gave up recent improvements to settle with losses extending to ⅜. Sterling's rally late in the day to $1.23 failed to restore confidence to gilt-edged buyers in the after-hours' trade.

Wall Street's late upsurge on Tuesday made little impression on equity markets. Talks that some U.S. investors were reducing their U.K. portfolios to pay for domestic market purchases was unsettling. After appearing to stabilise around mid-morning, values began losing ground from noon onwards.

Shortly before the official close interest began to flicker in one or two current American favourites. The tone started to improve and the recovery broadened and gathered momentum after 3.30 pm. Widespread minor losses were transformed into small gains and the FT Ordinary share index accordingly changed direction. Down 2.2 at the 3 pm calculation, the index closed a net 2.9 up on the day at 962.5, its first gain in four trading sessions.

Lloyds brokers rise

The dollar's resurgence was a tonic for Lloyds Brokers which moved up sharply throughout the list. Minet, depressed of late by the warning of possible syndicate losses, rallied 15 to 252p. Willis Faber recovered 20 to 6[illegible]p, while Stewart Wrightson put on 13 at 580p and Sedgwick 12 at 367p. Hogg Robinson, at 286p, and PWS International, at 505p, jumped 11 and 10 respectively, while C. E. Heath improved 7 to 580p.

Barclays fell 11 to 347p following the placing of the rump of the rights issues, some 22m shares at around 337p. Other clearers drifted lower in sympathy. NetWest lost 6 at 597p and Midland 5 a 1348p. Royal Bank of Scotland remained on offer at 276p, down 6. Domestic currency influences prompted renewed strength in Australian issues with Westpac, 205p, and National Australia Bank, 200p, up 15 apiece. ANZ firmed 13 to 255p.

Asda Property Holdings, investors and traders in residential and commercial property, staged a highly successful market debut; offered at 172p, the shares opened at 178p and, following a brisk business, closed at the day's best of 182p.

Matthew Brown dipped 20 to 365p as the bitterly-contested offer from Scottish and Newcastle was referred to the Monopolies Commission; Scottish eased the turn to 133p. Other regional Breweries trended lower in sympathy with Vaux 5 off at 280p, and Wolverhampton and Dudley 4 cheaper at 314p.

Buildings displayed irregular movements. Blue Circle, up 6 at 480p, gave a steadier performance as fears of a rights issue receded; the preliminary results are due today. George Wimpey, however, encountered nervous offerings in front of today's annual figures and fell 5 to 101p. Elsewhere, a squeeze on bear positions lifted Taylor Woodrow 10 to 407p, but marginally disappointing annual results left John Laing Ordinary 6 off at 214p and the A 10 lower at 208p. Trading statements were also responsible for contrasting movements among the second liners. Worse-than-expected preliminary profits and a warning about further contract provisions lowered Turriff 25 to 280p, while profit-taking in the wake of slightly disappointing interim figures left M. J. Gleeson 20 down at 214p. On the other hand, Pochins rose 10 to 190p following satisfactory half-year figures, while Helical Bar added a couple of pence to 26p helped by the improved annual figures and cautiously optimistic statement. The agreement with the company's bankers and the sale of a subsidiary to Powell Duffryn failed to restore confidence in Burnett and Hallamshire which gave up 7 more to 45p.

ICI fluctuated narrowly awaiting today's first-quarter figures and closed a couple of pence off at 767p.

Debenhams feature

Perennial takeover favourite Debenhams featured in otherwise lacklustre Retailers, rising 10 to 262p amid revised strong and persistent talk of imminent bid developments. British Home Stores were relatively resilient reverting to unchanged at 285p, after 282p; both are scheduled to announce preliminary results during the next Account. Other leading Stores, however, reacted to fading hopes of cheaper borrowing. Woolworth dipped 10 for a fall of 30 so far this week at 810p, while losses of around 4 were noted for Habitat Mothercare, 344p, Marks and Spencer, 139p, and Burton, 488p.

With the exception of Moss Bros, which rallied 10 to 408p following second thoughts on the preliminary results, second-line Stores gave ground across the board. Harris Queensway, 206p, W.H. Smith A, 206p, and Home Charm, 344p, all shed around 4. Ellis and Goldstein closed a penny to the good at 90p, after 92p, following the annual results and proposed 1-for-4 scrip issue, but S. Casket fell a few pence to 42p after the chairman's profits warning.

Muirhead highlighted Electricals, jumping 38 to 180p, after 193p, in response to the share exchange, or cash alternative, offer from RHP, 2½ easier at 109p; Muirhead immediately rejected the offer as "wholly inadequate." Elsewhere, Resource Technology rose 10 to 44p on the board changes, while Energy Services, currently in receipt of an unwelcome offer from Peek Holdings, edged forward 2 to 91p on counter-bid hopes. Micro Business Systems, however, gave up 10 at 160p, the Board's remarks about pressures on margins countering the impressive annual results. Security Centres, 100p, and Brikat, 285p, lost 10 and 20 respectively.

Vickers improved 6 to 258p helped by news of the proposed acquisition of the Comforto Group of companies. Movements were usually against holders in secondary Engineering but buyers again showed interest in Burgess Products, up 6 more at 172p.

Confectionery issues held the limelight in the Fod sector. Bid rumours persisted in Rowntree Mackintosh, up 16 more at 428p, after 430p, while a combination of currency influences and reports that the group plans to embark on a major new advertising campaign to promote its "Caprice" biscuit bar helped Cadbury Schweppes gain 5 to 156p. Elsewhere, Dee Corporation firmed 6 to 226p following news that the company intends to dispose of its holding in Booker McConnell and is forecasting a 53 per cent final dividend increase. Booker, which fought off Dee's £357m bid last week, improved 5 to 250p.

Bestobell above worst

Helped by dollar influences, international stocks came to life in the very late trade. Glaxo advanced strongly to £12¼, up ¼, while Beecham put on 10 at 360p and BTR a like amount at 676p. Among other miscellaneous industrial leaders, Reckitt and Colman were noteworthy for a fall of 10 to 518p, while Reed International eased 4 to 546p and Pilkington Bros 5 to 278p. Elsewhere, Bestobell, reflecting the sharply lower annual profits *and passing of the final dividend*, fell to 205p before rallying to close 11 down on the day at 222p. Christies International also came on offer and dipped 13 to 580p, sentiment being unsettled by reports that Sotheby's had won the battle to sell the Gould art collection. Low and Bonar responded to news of increased quarterly profits from its subsidiary Bonar Inc with a rise of 10 to 383p and demand continued for Reuters B, up 12 further to 398p. Support was also forthcoming for Polly Peck, which improved 7 more to 260p. British Aerospace, down to 397p at one stage, rallied to close 5 higher on balance at 408p following the announcement of a Chinese order for 10 146 Series 100 86-seat airliners. Reflecting currency influences, Broken Hill Proprietary put on 22 more at 318p.

Spectrum, weak earlier in the month following a profits warning, tumbled 7 more to a low of 28p as the group confirmed dismal interim figures. Sharply increased losses owing to major reorganisational changes left Campari a penny cheaper at 29p, after 28p.

Fleet Holdings advanced 8 more to 295p awaiting further news of the tentative offer from United Newspapers, 5 cheaper at 298p. Elsewhere in Publishers, investors displayed renewed interest in East Midland Allied Press, which rose 9 to 155p, after 160p; the A shares touched 142p before settling 10 up on balance at 140p. Good Relations highlighted media counters, rising 13 to 218p in front of today's annual meeting.

Interest in the the Property sector faded and quotations drifted lower throughout. Land Securities closed 6 off at 297p and MEPC lost the same amount, at 297p. Samuel closed a penny easier at 152p ahead of today's interim results. Elsewhere, a flurry of speculative buying in a restricted market lifted Sheafbank 6 to 32p.

Among otherwise idle Textiles, Nottingham Manufacturing advanced 10 to 218p as the company bought-in 2.3m of its own shares.

Currency fluctuations prompted fresh support of Bats, which aided by a heavy overnight business in the U.S., improved 12 to 340p, after 343p.

Oils down again

Growing concern over the possibility of another bout of sustained weakness in international crude oil prices—Brent crude dipped below the official $27.50 a barrel price yesterday—prompted renewed selling throughout the oil sector.

However, most of the leaders closed above the day's lows and losses were much smaller than on Tuesday. BP ended the day 3 off at 527p, after 520p, while Enterprise Oil dipped 5 to 190p, Ultramar 7 to 228p and Tricentrol 4 to 248p, after 243p Shell moved against the trend, reflecting overseas support, and posted an 8 improvement at 718p.

The steep fall in sterling against the Australian dollar and *moves to* increase "down-under" oil prices gave a substantial boost to Australian oils. Genoa Oil and Magellen Oil were outstanding, advancing 18 apiece to 95p and 145p respectively.

Australian gains

Sterling's sharp slide had a major impact on overseas-registered mining issues. Already a strong market, reflecting sizable gains in overnight Sydney and *Melbourne markets*, Australians staged a further substantial advance as sterling retreated from around A$1.94 to A$1.84 at one point; on Monday morning the rate was around A$2.02. The leading stocks closed a fraction off the top but retained big gains throughout the list. Gold Mines of Kalgoorlie jumped 32 to 520p, after a year's best of 525p, while CRA settled 22 higher at 362p, after 366p. Western Mining 18 firmer at 237p, after 242p, MIM 10 better at 174p and Peko-Wallsend 12 to the good at 240p. The second line stocks were again featured by Australian Consolidated Minerals which jumped a further 12 to 82p—a three-day advance of 35—reflecting persistent rumours of an imminent A$2 a share bid from Placer Development.

South African Golds were much more subdued. Although easier across the board in dollar terms, reflecting the decline in bullion, sterling quotations were generally a shade firmer owing to the sharp fall in the exchange rate.

The expiry of the April series gave a slight boost to Traded Option volume. Total contracts struck amounted to 8,485—5,537 calls and 2,948 puts. Once again, Commercial Union were to the fore with 1,978 calls and 330 puts transacted. ICI attracted 519 calls in front of today's first-quarter figures. The short Gilt contract recorded 356 calls and 117 puts.

FINANCIAL TIMES STOCK INDICES

	Apr. 24	Apr. 23	Apr. 22	Apr. 19	Apr. 18	Apr. 17	year ago
Government Secs.	81.40	81.73	81.88	81.88	82.00	81.58	82.07
Fixed Interest	86.11	86.17	86.19	86.14	86.03	85.79	86.30
Ordinary	962.5	959.6	971.6	978.8	991.5	988.8	899.1
Gold Mines	509.3	507.6	512.8	516.2	507.2	521.2	693.9
Ord. Div. Yield	4.71	4.74	4.68	4.66	4.59	4.60	4.29
Earnings, Yld.% (full)	11.86	11.96	11.80	11.72	11.57	11.61	9.87
P/E Ratio (net) (*)	10.27	10.19	10.32	10.39	10.53	10.49	12.23
Total bargains (Est.)	24,065	23,553	24,496	24,664	24,972	25,454	20,045
Equity turnover £m.	—	347.45	325.09	283.80	424.73	387.82	344.92
Equity bargains	—	22,720	18,821	19,289	22,563	22,728	20,505
Shares traded (ml)	—	181.8	114.1	152.5	226.1	202.0	230.7

10 am 958.5. 11 am 959.2. Noon 959.2. 1 pm 958.3.
2 pm 957.0. 3 pm 957.4.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=9.97.

HIGHS AND LOWS

—	1985 High	1985 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	82.00 (18/4)	78.02 (28/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	86.19 (22/4)	82.17 (28/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1024.5 (22/1)	928.7 (3/1)	1024.5 (22/1/85)	49.4 (26/6/40)
Gold Mines	536.9 (15/4)	439.5 (25/1)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY INDICES

	Apr. 23	Apr. 22
Daily Gilt Edged Bargains	150.6	127.9
Equities Bargains	147.2	121.9
Equities Value	702.3	455.0
5-day Average Gilt Edged Bargains	146.4	149.8
Equities Bargains	137.5	141.0
Equities Value	674.6	707.7

NEW HIGHS AND LOWS FOR 1985

NEW HIGHS (65)

CANADIANS (1)
Goliath Gold Mines

BREWERS (1)
Devenish (J. A.)

BUILDINGS (3)
IDC
Taylor Woodrow
Vibroplant

CHEMICALS (2)
Laporte Inds.
Rentokil

ELECTRICALS (3)
LPA Inds.
Muirhead
Volex

ENGINEERING (8)
Aurora 9pc Cnv. Red. Pfd. Ord.
Burgess Products
Chamberlin & Hill
Fife Indmar
Hall Eng'g
Staveley Inds.
TACE
Wyndham Group

FOODS (4)
England (J. E.)
Low (Wm.)
Maynards
Rowntree Mackintosh

HOTELS (1)
Queens Moat 10½pc Cnv. 1989-91

INDUSTRIALS (9)
Aaronson Bros.
Black (P.)
Grampian Hldgs.
High-Point Services
Inter-City Inv.
Polly Peck Internatl.
Do. 9pc Cnv. Ln. 2003-08
Reuters B
Standard Fireworks

INSURANCE (2)
Prudential
Refuge

LEISURE (2)
First Leisure
Sameelson

MOTORS (1)
Caffyns

NEWSPAPERS (2)
Bristol Ev. Post
E. Midland Allied A

PAPER (1)
Valla Jollen Intl.

PROPERTY (2)
Ewart New Northern
Five Oaks Invs.

SOUTH AFRICANS (1)
SA Breweries

TEXTILES (4)
Illingworth Morris
Do. A
Smallshaw (R.)
Textured Jersey

TRUSTS (2)
GT Global Recovery
Scottish Cities A

OILS (3)
Churchill Energy
Fishermans Petrol.
Texaco 4¾pc Cnv. Ln. 1981-99

OVERSEAS TRADERS (2)
Paterson Zochonis
Paterson Zoch. A N-V

MINES (11)
East Dagga.
Loraine
ACM
Central Pacific
Gold M. Kalgoorlie
Hawk Invs.
Minefields Explrtn.
Pancontinental Min'g
Sons of Gwalia
Southern Pacific
Southern Ventures

NEW LOWS (62)

AMERICANS (1)
Pall Corp.

BANKS (1)
Hill Samuel

BREWERS (2)
Bell (Arthur)
Invergordon Dists.

BUILDINGS (5)
Brown & Jackson
Gleeson (M. J.)
Henderson Group
Smart (J.)
Tay Homes

CHEMICALS (2)
Amersham Intl.
Coates Bros. A N-V

ELECTRICALS (13)
CPS Computer
Checkpoint Europe
DDT
Grosvenor Group
Mellerware Intl.
Memory Computer
Micro Bus. Systems
Perkin-Elmer 4pc Conv. Uns. '80-88
Philips Lamps
Pressac
Sarasota Technology
Security Centres
Tunstall Telecom

ENGINEERING (4)
Ash & Lacy
Cummins Eng. 5¾pc Cnv. Ln 1978-94
Farmer (S. W.)
ML Hldgs.

FOODS (1)
Freshbake Foods

INDUSTRIALS (12)
Aberfoyle Hldgs.
Baynes (Charles)
Bestobell
Combined Techno'gy
LRC International
Moss (Robert)
Securicor
Do. A N-V
Security Services
Sketchley
Turner & Newall
Wedgwood

LEISURE (2)
Scottish TV A
Spectrum

NEWSPAPERS (1)
United Newspapers

PAPER (1)
Craton Lodge

PROPERTY (2)
Hammerson A
Laing Properties

SHIPPING (1)
Lyle Shipping Pfd.Ord.

SHOES (1)
Strong & Fisher

TEXTILES (1)
Strood Riley Drum.

TRUSTS (7)
Fleming Japanese
Investing in Success
New Australia
Hambro Trust
Mercantile House
Utd. Computer Tech.
Yorkgreen Invs.

OILS (2)
International Pet.
Jackson Explrtn.

PLANTATIONS (1)
Williamson Tea

MINES (2)
Blyvooruitzicht
Charter Cons.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	1	105	1
Corpns, Dom. and Foreign Bonds	2	15	57
Industrials	201	366	840
Fin. and Props.	129	103	313
Oils	35	41	46
Plantations	4	4	17
Mines	74	22	74
Others	137	27	80
Totals	615	686	1,410

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed April 24 1985 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	xd adj. 1985 to date	Tue April 23 Index No.	Mon April 22 Index No.	Fri April 19 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (208)	[illegible]	[illegible]	[illegible]	[illegible]	12.07	4.38	544.33	549.87	552.49	525.81
2 Building Materials (24)	[illegible]	[illegible]	[illegible]	[illegible]	9.59	1.33	494.71	500.51	500.75	531.21
3 Contracting, Construction (29)	[illegible]	[illegible]	[illegible]	[illegible]	9.72	4.36	718.80	716.35	718.74	763.44
4 Electricals (15)	[illegible]	[illegible]	[illegible]	[illegible]	11.75	2.79	1546.94	1571.81	1574.54	1722.42
5 Electronics (36)	[illegible]	[illegible]	[illegible]	[illegible]	14.55	12.79	1681.11	1688.15	1711.94	1785.78
6 Mechanical Engineering (65)	[illegible]	[illegible]	[illegible]	[illegible]	10.90	3.02	305.02	308.28	309.94	253.38
8 Metals and Metal Forming (8)	[illegible]	[illegible]	[illegible]	[illegible]	9.65	1.94	187.75	191.40	191.95	198.72
9 Motors (17)	[illegible]	[illegible]	[illegible]	[illegible]	9.09	2.58	162.71	164.21	164.85	141.87
10 Other Industrial Materials (16)	[illegible]	[illegible]	[illegible]	[illegible]	15.70	9.00	919.83	929.64	928.62	688.87
21 CONSUMER GROUP (178)	[illegible]	[illegible]	[illegible]	[illegible]	12.67	3.64	643.63	649.06	650.17	537.48
22 Brewers and Distillers (23)	[illegible]	[illegible]	[illegible]	[illegible]	10.40	3.56	566.43	568.48	572.75	540.42
25 Food Manufacturing (20)	[illegible]	[illegible]	[illegible]	[illegible]	10.78	7.27	500.55	501.67	503.15	406.16
26 Food Retailing (15)	[illegible]	[illegible]	[illegible]	[illegible]	21.57	4.85	1548.80	1568.45	1568.76	1283.98
27 Health and Household Products (9)	[illegible]	[illegible]	[illegible]	[illegible]	18.62	1.35	1016.12	1027.59	1032.28	828.02
29 Leisure (25)	[illegible]	[illegible]	[illegible]	[illegible]	14.86	9.96	674.50	680.16	686.24	698.43
31 Newspapers, Publishing (12)	[illegible]	[illegible]	[illegible]	[illegible]	19.86	10.85	1777.68	1783.26	1780.67	1363.99
32 Packaging and Paper (14)	[illegible]	[illegible]	[illegible]	[illegible]	10.20	1.07	312.72	314.49	313.03	269.74
34 Stores (42)	[illegible]	[illegible]	[illegible]	[illegible]	17.73	1.55	617.40	627.51	623.42	484.64
35 Textiles (19)	[illegible]	[illegible]	[illegible]	[illegible]	7.13	0.41	319.93	324.32	325.05	309.65
36 Tobacco (3)	[illegible]	[illegible]	[illegible]	[illegible]	6.80	5.43	863.49	860.36	866.12	643.33
39 OTHER GROUPS (97)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 Chemicals (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Office Equipment (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43 Shipping and Transport (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Miscellaneous (62)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Telephone Networks (2)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (483)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX (500)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (114)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance (Brokers) (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (11)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (50)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Other Financial (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (106)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (738)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Index No.	Day's Change	Day's High	Day's Low	Apr 23	Apr 22	Apr 19	Apr 18	Apr 17	Year ago
FT-SE 100 SHARE INDEX	1285.7	+8.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Wed April 24	Day's change %	Tue April 23	xd adj. today	xd adj. 1985 to date
British Government					
1 5 years	117.25	-0.32	117.62	—	[illegible]
2 5-15 years	129.04	-0.40	129.26	—	[illegible]
3 Over 15 years	136.13	-0.51	136.83	—	[illegible]
4 Irredeemables	149.01	-0.37	149.61	—	[illegible]
5 All stocks	127.57	-0.43	128.11	—	[illegible]
6 Debentures & Loans	109.97	-0.14	110.12	—	[illegible]
7 Preference	77.60	+0.07	77.54	—	[illegible]
BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8 All stocks	109.83	-0.25	110.10	—	[illegible]

AVERAGE GROSS REDEMPTION YIELDS: [illegible]

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series	May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS: 23,714

A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price p	+ or −	Net div.	Times covered	Gross yield	P/E ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Anglo-EastPlantsUnt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Aspen Comms. 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Asda Property Hldgs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Assoc. Steel Dist.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	BTS 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bedford (William) 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bigdon Inds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Crown Int'l Prod 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Electron House 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	German Small. Wrts.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Howard Group 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Laidlaw Thomson	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Mann 20p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Maxiprint 1p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	New London Oil 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Norcoat Hotels 50p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Pacific Assets Tst 50p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do. Ser. 1 Warrants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	P.&O. Warrants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Papa 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Plantation Tst Units	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	REA Warrants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Scott Greenham 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sintrom 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Wayne Kerr 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Felixstowe Dock Prf. Units	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Int. Am. Dev. Bk. 9¼% Ln. 2015	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Mid Southern Wtr. 9% Red. Prf. 1990	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Nationwide Bldg. Soc. 12¼% 1.11.86	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do. 12¼% Bds. 21.4.86	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	REA Hldgs. 9% Cum. Prf.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sheafbank Prop. 9% Cum. Conv. Prf.	[illegible]	[illegible]
49.895	[illegible]	[illegible]	[illegible]	[illegible]	Spain Kingdom of 11¼% Ln 2010	[illegible]	[illegible]

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price p	+ or −
82	Nil	[illegible]	[illegible]	[illegible]	Aaronson Bros. 10p	[illegible]	[illegible]
60	Nil	[illegible]	[illegible]	[illegible]	BBA	[illegible]	[illegible]
150	F.P.	[illegible]	[illegible]	[illegible]	Barclays £1	[illegible]	[illegible]
142	Nil	[illegible]	[illegible]	[illegible]	Berkeley Group	[illegible]	[illegible]
178	F.P.	[illegible]	[illegible]	[illegible]	Beapak 10p	[illegible]	[illegible]
65	F.P.	[illegible]	[illegible]	[illegible]	Bulleagh 20p	[illegible]	[illegible]
38	F.P.	[illegible]	[illegible]	[illegible]	FKI Electricals 10p	[illegible]	[illegible]
245	F.P.	[illegible]	[illegible]	[illegible]	Fisons	[illegible]	[illegible]
238	F.P.	[illegible]	[illegible]	[illegible]	Glass Glover 5p	[illegible]	[illegible]
102	Nil	[illegible]	[illegible]	[illegible]	Grampian Hldgs	[illegible]	[illegible]
70	Nil	[illegible]	[illegible]	[illegible]	Jackson Explrn.	[illegible]	[illegible]
285	Nil	[illegible]	[illegible]	[illegible]	LASMO	[illegible]	[illegible]
66	F.P.	[illegible]	[illegible]	[illegible]	Mitchell Cotts	[illegible]	[illegible]
185	F.P.	[illegible]	[illegible]	[illegible]	Morgan Crucible	[illegible]	[illegible]
49[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Oliver Prospecting	[illegible]	[illegible]
7	F.P.	[illegible]	[illegible]	[illegible]	Ryan Intl. 5p	[illegible]	[illegible]
375	Nil	[illegible]	[illegible]	[illegible]	Scapa	[illegible]	[illegible]
11	Nil	[illegible]	[illegible]	[illegible]	Second Market Inv. 5p	[illegible]	[illegible]
190	F.P.	[illegible]	[illegible]	[illegible]	STC	[illegible]	[illegible]
158	F.P.	[illegible]	[illegible]	[illegible]	United Biscuits	[illegible]	[illegible]
240	F.P.	[illegible]	[illegible]	[illegible]	Walmoughs	[illegible]	[illegible]
220	F.P.	[illegible]	[illegible]	[illegible]	Westenholme Rink	[illegible]	[illegible]
15	F.P.	[illegible]	[illegible]	[illegible]	Worthington A	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ‖‖ Allotment letters or fully-paid. ■ Introduction. ● Unlisted Securities Market. § Placing price. † Figures assumed. †† Official London Listing. ‡‡ Dealt in under Rule 535(3). † Comprising 100 Prf. and one Ptg. share. nominal of conv. stock. ‡ Units comprising 4 Ord., 1 Warrant and £1.00 of 12½ per cent Uns.Ln. stk. 1995-99.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr 22	May 3	July 25	Aug 5
May 7	May 17	Aug 8	Aug 19
May 20	June 7	Aug 29	Sept 9

For rate indications see end of Share Information Service

Money was given for the call of Polly Peck, Five Oaks, Thorn EMI, Blackwood Hodge, Bestobell, "The Times" Veneer, Inter-City, Imperial Group, Pentland Industries, Tricentrol, West Coast, J. Hepworth, Atlantic Resources, BSC International, Samson and Microvitec. No puts were reported, but double was transacted in Ocean Transport.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Ass Energy	46	+ 5
BAT Inds	340	+12
Bestobell	222	−11
Broken Hill Prop	318	+22
Brown (Matthew)	385	−20
Chrysalis International	580	−13
Dee Corporation	228	+ 6
Falcon Resources	464	− 6
Gleeson (M. J.)	214	−20
Laing (J.)	214	− 6
Muirhead	180	+38
Western Mining	237	+18

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Rowntree Mack	14	412	−13
Brit Aerospace	14	403	+12
Falcon Res	14	473	+ 8
RTZ	13	577	+15
Shell Trans	13	710	−15
Stock Convsn	13	485	− 7
Thorn EMI	12	421	+ 9
BAT Inds	11	328	+ 3
BICC	11	237	− 8
BP	11	527	− 5
B. H. Prop	11	296	+22
Comm Union	11	221	—
Pilkington Bros	11	283	—
Solmcourt	11	28½	+ 1

LONDON TRADED OPTIONS

Option	Calls Apr.	Calls Jly.	Calls Oct.	Puts Apr.	Puts Jly.	Puts Oct.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Apr. 24. Total contacts 8,485 Calls 5,537. Puts 2,948.
* Underlying security price.

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1985 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
100⅞	99⅛	Treas 11¾pc 1985	99⅞	...	11.53	12.57
98⅞	97⅛	Treas 8¾pcCnv '85	98⅞	–⅛	8.87	12.31
102⅞	99⅞	Exch. 12¾pc 1985	100⅛xd	–¼	12.24	12.16
101⅞	99⅞	Exch. 11¾pc '86	100⅛	–⅛	11.74	11.59
99½	97⅛	Treas. 10pcCnv 1986	98⅞	–⅛	10.12	11.31
94⅛	92¾	Treas 3pc 1986	93⅝	–⅛	3.20	9.45
100	97½	Exch. 10½pc Cv '86	99⅛	–⅛	10.59	11.44
101⅞	99¼	Treas 12pc 1986	100½	–⅛	11.94	11.47
97⅞	94⅛	Treas 8¾pc 1984-86‡‡	96⅞	–¼	8.77	11.31
105⅞	102⅞	Exch. 14pc 1986	103¼xd	–¼	13.54	11.49
91⅞	87⅛	Exch. 2½pc 1986	91½xd	–¼	2.75	8.38
104⅞	101⅛	Exch. 13¼pc 1987	102¼	–⅛	12.90	11.42
99½	96⅛	Treas 10¼pcCv '87	98⅞	–⅛	10.45	11.43
90	85½	Exch 2½pc 1987	89½	–⅛	2.79	8.80
99⅞	96¼	Exch. 10½pc 1987	98½	–⅛	10.66	11.36
93	89	Funding 6½pc '85-87‡‡	92½xd	–⅛	7.03	10.73
98½	95½	Treas. 10pc 1987	97⅞	–⅛	10.26	11.36
87⅞	84⅞	Treas 3pc 1987	87⅞	–¼	3.42	9.29
102⅞	99⅛	Treas. 12pc 1987	101⅞xd	–⅛	11.84	11.37
93⅞	90⅛	Treas 7¾pc 1985-88‡‡	92⅞	–⅛	8.37	10.89
98⅞	95⅞	Exch 10½pc '88	98xd	–⅛	10.71	11.31
96⅞	93⅞	Treas 9¾pc Cv '88	95¾	–⅛	10.20	11.43
83⅞	80	Transport 3pc '78-88	83½	–⅛	3.59	9.08
95⅞	91½	Treas. 9½pc '88	94⅝xd	–⅛	10.04	11.39
101⅞	97½	Treas 11½pc 1989	100⅞	–½	11.46	11.35
95⅞	90⅞	Treas 9½pc Cnv. '89	94⅛	–⅛	10.09	11.37
79⅞	79	Treas 3pc 1989	79⅛	–⅛	3.79	9.32
98½	94	Treas 10½pc 1989	97	–⅛	10.82	11.42
96⅞	92	Exch 10pc 1989	95⅛	–⅛	10.48	11.39
99⅞	95	Exch 11pc 1989	98½	–½	11.17	11.41
83	79	Treas 5pc 1986-89	82⅞	–⅛	6.05	9.90
107½	103⅛	Treas 13pc 1990‡‡	106⅛	–⅛	12.24	11.25
[illegible]						

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

AMERICANS—Cont.

[illegible]

CANADIANS

[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BEERS, WINES—Cont.

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY & STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
77	61	Marshall's Universal	62	—	2.0	♦	4.7	♦
84	78	Do. 7½pcCnRedPf £1	82	—	7½%	—	13.1	—
22	22	Martin-Black	22	—	—	—	—	—
£96	£81	Mathesons 7¾%	£85	—	Q7¾%	2.3	9.3	—
435	375	Metal Box £1	392	−2	t15.0	3.2	5.5	6.3
170	136	Metal Closures	150xd	−2	6.7	2.0	6.4	9.4
17	9	Metal Sciences 2½p	11	—	—	—	—	—
104	73	Midland Marts	104¢	—	4.0	1.8	5.5	13.2
*83½	68	Mitchell Cotts	69½	−½	14.0	1.5	8.2	9.9
*220	182	Morgan Crucible	213	−1	8.0	♦	5.5	18.1
32	22	Morris (W) F.A. 20p	31	−½	90.5	♦	2.3	♦
105	93	Moss (Robt.) 10p	95	−1	t12.5	2.3	3.8	13.5
405	267	NMW Computers	375	—	6.0	♦	2.3	♦
43	34	Nash Inds.	34	—	2.5	1.5	10.5	7.8
48	28	Neil & Spencer 10p	28	—	♦	—	—	8.4
34	16	Newman Industries	31	−1	—	—	—	♦
35	20	Do. 10pc Cm.Cnv.Pf.	31½	—	10%	—	4.5	—
55	43	Nelton	53	—	g1.1	4.5	3.0	8.9
183	146	Norcros	148	—	t8.6	2.4	8.3	7.8
64	53	Nu-Swift 5p	54	−2	t2.4	3.2	6.3	7.0
95	68	Oakwood Grp.	95	—	d4.5	1.4	6.8	(14.0)
165	150	Office & Elect	165	—	7.5	4.2	6.5	7.6
108	83	Oldacre 20p	83	—	t4.0	2.6	6.9	7.4
925	625	Oriflame Intl SA	825	—	46.81	1.3	8.1	(12.0)
218	190	Osborne & Little 5p	207	−1	bg2.0	3.2	1.4	32.8
18	15	Ovenstone 12½c	17	—	t24.5c	2.2	‡	3.9
£176	£158	Ozalid 9pc Cnv 87-92	£172xd	−1	Q9%	—	6.3	—
185	105	PCT Grp 10p	160	—	g4.8	2.9	4.2	9.8
£14	£10¼	PLM 'B' Sk.25	£11½	—	Q21.6%	♦	4.6	♦
193	169	PSM Intl	173	+1	bg5.25	2.6	4.3	22.7
60	50	Pacific Sales 10p	53	—	t2.4	2.2	6.5	(8.0)
190	165	Parker Knoll 'A'	188	−2	9.0	2.8	6.8	7.4
375	205	Pauls	362	—	t13.0	2.5	5.1	15.9
725	575	Pearson	703xd	−2	17.0	3.1	3.5	12.2
28	18	Peek Holdings	25	—	—	—	—	♦
94	88	Peerless	88	—	6.3	1.4	10.2	8.9
665	297	Pentland 10p	620	−15	2.6	♦	0.6	♦
46	33	Pentos 10p	44	—	0.35	7.7	1.1	11.9
54	44	Philips Patents	45	—	1.25	—	4.0	—
£11¼	£10⅞	Photo-Me 50p	£11¼xd	—	9.45	6.6	1.2	—

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Finance

[illegible]

Australians

[illegible]

Tins

[illegible]

Miscellaneous

40	28	Ennex Int. Ir10p	34	−3	—	—	—	
117	73	Greenwich Res. Inc.	80	—	—	—	—	
212	157	Hampton Areas 10p	212	—	3.75	2.1	2.4	
260	160	Highwood Res.	180	−7	—	—	—	
£22½	£18	Homestake Mining $1	£20¾	+⅛	Q20c	—	0.8	
310	190	McFinley Red Lake	240	—	—	—	—	
300	195	Mineta Explorations	235	—	—	—	—	
55	23	New Sabina Res C$1	39	−1	—	—	—	
375	260	Northgate C$1	325	−10	—	—	—	
685	581	RTZ	625	−2	20.0	q2.9	4.7	
£140½	£129	Do. 9¾pcLn '95-2000	£136	+½	Q9½%	35.4	—	
£13¼	£10	Tara Expln $1	£13	+⅛	—	—	—	

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ✝ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	100	.....	Arnott	178	.....
Craig & Rose £1	£10	.....	CPI Hldgs	53	.....
Finlay Pkg. 5p	61	.....	Carroll Inds.	115	+2
Higsons Brew	123	.....	Dublin Gas	52	.....
Holt (Jos) 25p	760	.....	Hall (R. & H.)	45xd	.....
IoM Stm. £1	98	−2	Helton Hldgs.	13	.....
IRISH			Irish Ropes	41	.....
Exch. 12% 1985	£100	.....	Jacob (W.& R.)	75	.....
Nat. 9¾% 84/89	£90	.....	Unidare	83	.....
Fin. 13% 97/02	£99¼	.....			

OPTIONS — 3-month call rates

Industrials	p				
Allied-Lyons	16	GKN	17	Turner Newall	10
BAT	32	Hanson Tst.	17½	Unilever	85
BOC Grp.	25	Hawker Sidd	38	Vickers	19
BSR	16	Hse of Fraser	30	Property	
BTR	52	ICI	60	Brit Land	12
Babcock	14	'Imps'	10	Cap Counties	18
Barclays	48	Jaguar	28	Land Secs	25
Beecham	32	Ladbroke	24	MEPC	28
Blue Circle	45	Legal & Gen	50	Peachey	22
Boots	15	Lex Service	28	Samuel Props	14
Bowaters	20	Lloyds Bank	45		
Brit Aerospace	33	Lucas Inds.	25	Oils	
Brit. Telecom	11	Marks & Spcr	11	Brist. Oil & Min	4
Brown (J.)	5	Midland Bk	30	Brit Petroleum	42
Burton Ord	39	NEI	8	Burmah Oil	18
Cadburys	14	Nat West Bk	60	Charterhall	6
Comm Union	19	P & O Dfd	36	Premier	5
Courtaulds	12½	Plessey	17	Shell	60
Debenhams	17½	Polly Peck	26	Tricentrol	18
Distillers	28	Racal Elect	18	Ultramar	19
Dunlop	6	RHM	11		
FNFC	1½	Rank Org Ord	32	Mines	
Gen Accident	45	Reed Intnl	50	Charter Cons	18
Gen Electric	17	Sears	8	Cons Gold	44
Glaxo	85	TI	28	Lonrho	14
Grand Met	25	Tesco	20	Rio T Zinc	56
GUS 'A'	60	Thorn EMI	35		
Guardian	60	Trust Houses	13		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 43

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)

Salisbury House, 31, Finsbury Circus London EC2 01-588 2777 Dealing: 01-638 0478/0479

Britannia Viewpoint 01 675 6666

UK Specialist Funds				
Growth Gilt Trust	52.0	52.8	-0.1	0.72
Recovery	77.0	82.1	-0.8	2.88
Smaller Cos.	112.9	120.4	-0.1	1.27
Spec. Mkt. Sits.	74.2	79.1	+0.2	1.33
UK Growth (Domestic)	31.6	33.7	-0.3	3.12
High Income Funds				
Extra Inc.	51.2	54.6	-0.1	7.84
Gilt	25.7	27.1	-0.1	9.74
Inc & Growth	149.0	158.9	-0.9	4.78
Nat. High Inc.	144.1	153.7	-0.8	6.07
Pref. Shares	17.2	18.3	.	11.28

FS Investment Managers Ltd.

190 West George St., Glasgow. 041-332 6462

FS Balanced Gwth Fd.	223.7	238.0	...	—

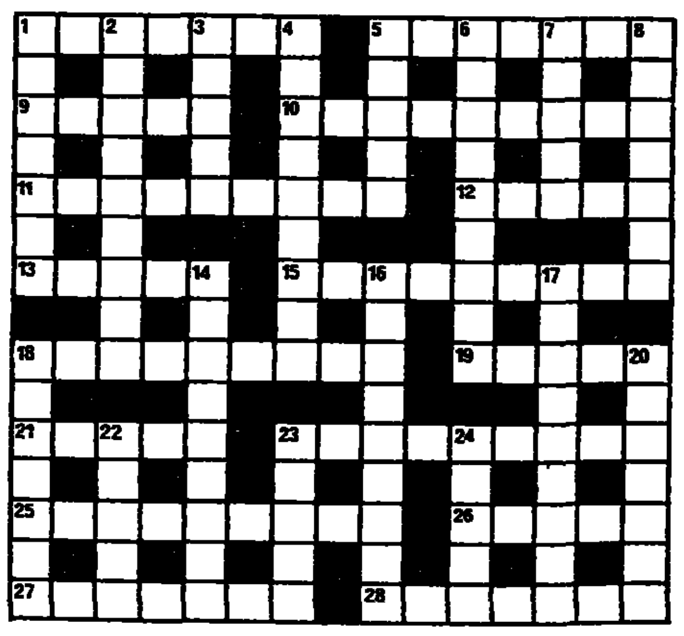
Fidelity International Management Ltd.

River Walk, Tonbridge, TN9 1DY 0732 361144

American (z)	83.5	89.4	+1.9	1.94
Amer. Eq. Inc. (z)	31.3	33.6	+0.4	5.73
Amer. Spec. Sits (z)	48.3	51.7	+1.1	0.25
South E. Asia Tst (z)	27.2	29.0	+0.8	1.85
Japan Special Sits (z)	22.6	24.5	+0.7	—
Japan Trust (z)	77.1	83.4	+1.9	—
Managed Int. Tst. (z)	82.5	87.8	+0.8	0.78
Max. Inc. Eq. Tst.	55.3	58.5		6.34
Special Sits.	100.2	106.7	+0.4	1.28

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,702



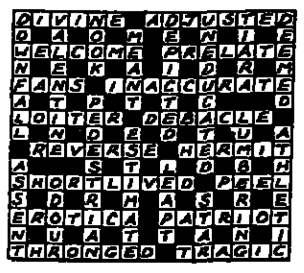
ACROSS

1 Settle in a phlegmatic way (5, 2)
5 Inveigh against medical treatment (7)
9 Speeds regulated by local authorities (5)
10 The craft of dressing? (5-4)
11 A mere agent may make one (9)
12 Tip in stupendous style (2-3)
13 A premonition Richard III had (5)
15 Oven not currently used (3, 6)
18 Give away lines? (4, 5)
19 Wines blended for strength (5)
21 Change later, or change now (5)
23 He turns up, after all (4-5)
25 Tribal rag turns out to be rock (9)
26 Spoke in the plural? (5)
27 One's kid supplies supple leather (7)
28 Yet such timber may have been stripped (7)

DOWN

1 One should drive clean away from it (3, 4)
2 Any word of topless club with topless dance? (9)
3 One is quick to make it (5)
4 He's transported by Dad's cooked greens (9)
5 One can never be sure if one has it (5)
6 Sure could be unsuspecting (9)
7 A poem that could shock? (5)
8 Ring-fighter? (7)
14 Back pack for horse going round states (9)
16 Civilians lived such a life in the war, strangely enough (9)
17 Gold sovereign? (4, 5)
18 New-fangled sort of wheel (7)
20 Concerned with rowdier fracas (7)
22 Put down a motion before the chair? (5)
23 Language of a quarter of Parisians (5)
24 Swear there's nothing in the way (5)

Solution to Puzzle No. 5,701



INSURANCE, OVERSEAS & MONEY FUNDS

Liberty Life Assurance Co Ltd
Station Rd, New Barnet. 01-440 8210
Fund Managers, Touche Remnant & Co.

Sel Sec A	27.4	28.9	...	—
Managed	20.4	21.5	...	—
Equity	16.7	17.6	...	—
Blue Chip	22.9	24.2	...	—
Special Sits	24.5	25.8	...	—
International	26.9	28.4	...	—
American	20.9	22.0	...	—
Pacific	200.0	21.1	...	—
Property	17.2	18.2	...	—
Fixed Yield	19.9	21.0	...	—
Index Linked Secs	11.2	11.9	...	—
Int Currency	13.3	14.1	...	—
Deposit	16.1	17.0	...	—

Life Assur. Co. of Pennsylvania
8, New Rd, Chatham, Kent. Medway 812348

LACOP Units	15.10	15.86	...	—

Lloyds Life Assurance
20, Clifton St, EC2A 4HX. 01-920 0202/0733 262524

Multi Gwth April 6	£318.819		...	—
Multi Gwth "A" Apr 6	285.0	300.0	...	—
Op 8 Prop April 18	265.0	279.0	...	—
Op 8 Equity April 23	396.9	437.8	...	—
Op Hy April 18	272.1	286.5	...	—
Op 8 Man April 18	357.9	376.8	...	—
Op 8 Dep April 23	204.8	215.6	...	13.12
Op 8 Bond April 18	176.7	186.0	...	—
Op 8 Inc Dist April 18	149.6	157.5	...	8.29
Op 8 Int Man April 18	202.6	213.3	...	—
Op 8 US$ April 18	144.4	152.1	...	—
Pens B Pr Ac Apr 15	355.3	374.1	...	—
Pens B Eq Ac April 15	1,152.7	1,213	...	—
Pens B FI Ac April 15	399.0	421.0	...	—
Pens B Mid Act Apr 15	645.4	679.4	...	—
Pens B Dp Acc Apr 15	331.6	349.1	...	—
PensBGart Gibr Apr 15	113.0	119.0	...	—
Pens B Cart NA Apr 15	98.1	103.3	...	—
PensBGartP Apr 15	116.1	122.3	...	—

For Pensions Capital Units please ring ext 2996 or 2961.

Britannia Funds—Series A

Am Smlr Co's	130.9	137.8	+1.1	—
Am Spec Sits	148.7	156.6	+1.2	—
Commodity	82.4	86.8	+0.3	—
Extra Inc	117.6	123.8	-0.6	—
Far East	103.5	109.0	+1.5	—
FI Secs	156.1	164.4	-1.2	—
Gold & Gen	85.5	90.1	...	—
Inc Growth	161.6	170.2	-1.6	—

National Provident Institution
48, Gracechurch St, EC3P 3HH. 01-623 4200

Managed	204.1	214.9	+0.2	—
UK Equity	238.0	250.6	-0.5	—
Overseas Eq	196.9	207.3	+4.6	—
American	199.3	209.8	+5.0	—
Far East	167.1	175.9	+5.3	—
Property	114.0	120.1		—
Fixed Int	164.6	173.3	-0.4	—
Indexed Gilt	106.7	112.4		—
Deposit	116.2	122.4	+0.1	—

Pension Fund Prices.

Man. Initial	205.4	216.3	-0.1	—
Man Acc	231.0	243.2	...	—
UK Eq. Initial	225.3	237.2	-1.3	—
UK Eq.	249.5	262.7	-1.5	—
Overseas Eq. Initial	218.5	230.0	+3.8	—
Overseas Eq.	253.6	267.0	+4.4	—
American Initial	222.2	233.9	+7.5	—
American	247.3	260.4	+8.5	—
Far East Initial	207.1	218.0	+6.6	—
Far East	231.0	243.2	+7.3	—
Prop. Initial	109.6	115.4	...	—
Prop.	121.9	128.4	...	—
Fixed Int. Initial	149.0	156.9	-0.6	—
Fixed Int.	165.2	173.9	-0.7	—
Indexed Gilt Initial	99.7	105.0	-0.1	—
Indexed Gilt	110.0	116.9	...	—
Deposit Initial	115.3	121.4	...	—
Deposit	128.9	135.7	+0.1	—

NPI Pensions Management Ltd.

Managed Fund	568.4	583.0	...	—

Prices April 1. Next dealing May 1.

New Zealand Insurance PLC
110/114, Baxter Avenue, Southend. (0702) 344565

Kiwi Key (Managed)	378.4	390.1	...	—
UK Equity	176.2	185.5	-0.9	—
American	252.4	265.7	-0.3	—
Pacific	358.7	377.6	+4.8	—
Property	154.7	162.9	...	—
Gilt	179.6	189.0	-0.7	—
High Inc. Equity	164.1	172.7	-0.9	—
High Inc. Fxd. Int.	105.1	110.6	-0.8	—
Deposit	162.0	166.0	...	—
Index-Linked Gilt	105.6	111.2	-0.2	—

Norwich Union Insurance Group
PO Box 4, Norwich NR1 3NG. 0603 622200

OFFSHORE AND OVERSEAS

Money Market Trust Funds

Money Market Bank Accounts

NOTES

COMMODITIES AND AGRICULTURE

Straits tin price drops to lowest level in 7 years

BY RICHARD MOONEY

THE STRAITS TIN price in Kuala Lumpur fell by 0.62 ringgit (Malaysian dollars) a kilo yesterday to M$28.48 a kilo, the lowest level for seven years.

The price had dropped below the International Tin Agreement (ITA) floor price of M$29.15 on Tuesday for the first time since April 1982. This follows a change in ITA policy to allow the agreement's buffer stock manager to operate below floor level when appropriate. This was agreed at last month's ITA council meeting in London.

Dealers said yesterday's continued decline indicated that the manager, Mr Pieter de Koning, was allowing the Straits price to move closer into line with the London Metal Exchange (LME) level. Even after yesterday's fall, however, it was still at a premium equivalent to about £135 a tonne over the LME quote, they said.

Meanwhile LME prices moved higher, reflecting the continued slide by the pound against both the U.S. and Malaysian dollars. Cash standard tin ended the day £82.50 up at £9,312.50 a tonne, wiping out most of the week's earlier decline.

Sterling's further fall also boosted LME copper values, with the cash high grade ending £13.25 up at £1,229 a tonne. There appeared to be some easing in the technical squeeze on the availability of supplies for nearby delivery, however, and this was reflected in a narrowing in the cash premium over the three months position from £44.50 a tonne at Tuesday's close to £33.50.

● Peru's Energy and Mines Minister, Sr Juan Inchaustegui, said the country's gold and silver output was expected to rise about 5 per cent and copper production by about 4 per cent this year.

The expansion of small mines would raise silver output to about 6m oz this year from about 5.7m oz in 1984, he said.

Sr Inchaustegui said copper output, boosted by the opening last month of the Tintaya mine in southern Peru, was expected to rise to about 400,000 tonnes this year from 385,700 tonnes in 1984. Copper output was projected at a minimum of 430,000 tonnes in 1986, he added.

Gold output, which was 213,000 oz in 1984, was expected to rise by at least 5 per cent in 1985 and by another 20 to 30 per cent in 1986 because of dredging operations due to begin in the southern states of Puno and Madre de Dios.

Malaysia ready to back rubber pact extension

BY WONG SULONG IN KUALA LUMPUR

MALAYSIA will support a two-year extension of the International Natural Rubber Agreement at the INRO council meeting in Kuala Lumpur in June, the Primary Industries Ministry said yesterday.

Earlier this month, the 32-nation INRO council had to defer agreement on extending the pact after a last minute change of heart by the Malaysian delegation.

The INRA—the first—came into force in 1980, and will expire in October.

The ministry said Malaysia had objected to extending INRA because it felt it was wrong to extend the pact before renegotiations for the second INRA had started. Now that the second INRA negotiations had started in Geneva this week, all the INRO member countries would have the benefit of each other's views

The Geneva negotiations, which go on until May 10, are expected to be tough as both producers and consumers are sharply divided

Anger over EEC delay in setting farm prices

By Our Commodities Staff

SIR RICHARD BUTLER, president of Britain's National Farmers' Union, responded angrily yesterday to the continued failure of EEC farm ministers to agree 1985-86 agricultural support prices.

"The delay in settling farm prices is very damaging," he said, following another inconclusive meeting of the EEC Council of Farm Ministers in Brussels this week. "Farmers cannot take important production decisions while this uncertainty continues."

He said he had urged Mr Michael Jopling, UK Farm Minister, before this week's meeting, to press for a reduction from 3 per cent to 2 per cent in the milk co-responsibility levy if a full farm price settlement could not be reached.

He said milk producers were suffering not only because of the delay in fixing this year's support price increase, but also because of the threat of a further 1 per cent cut in their production quotas.

● KEEN bidding for export subsidies at yesterday's weekly EEC export tender in Brussels resulted in the maximum subsidy level being set at 44.68 European currency units per 100 kilos, significantly below the 44.94 ECUs level London traders had predicted. Export licences were granted on 61,000 tonnes of white sugar and 1,000 tonnes of raws, somewhat higher than expected.

● THE U.S. Commodity Futures Trading Commission (CFTC) has opposed motions filed by the Hunt Brothers and others seeking a more definite statement of the CFTC's charges that they illegally manipulated the silver market in 1979 and 1980.

The CFTC's Division of Enforcement said the detailed statement was "in large part contained in the (February 28 1985) complaint and in any event, is not necessary for them to frame their answers."

It said the Hunts were "seeking not a complaint they can respond to but complete disclosure (by the CFTC) of the evidence that supports the allegations in the complaint."

Dai Hayward on the fight back against cheap EEC meat exports

New Zealand beefs up its mutton industry

NEW ZEALAND'S meat processing industry, which provides almost 30 per cent of export earnings, is planning a big fight back in the face of lower meat prices, falling demand for red meat and heavy competition from the dumping of subsidised EEC beef.

A major shake-up of the industry is underway, aimed at cutting costs and boosting export returns.

New Zealand blames the EEC for much of its problems, claiming that cheap European beef has wrecked the market for its mutton.

Mr Adam Begg, chairman of the New Zealand Meat Board, accuses the EEC of unfair competition and says meat producers should expect more dumping and stiffer competition from the world's largest beef exporter.

The sharp fall in mutton prices, combined with rising freight and shipping costs, means the cost of shipping lower grade mutton and even some lamb is often higher than the price it will fetch.

Last year the board was forced to turn several thousand tonnes of mutton and lamb into tallow, bone and meat meal for stock feed and fertiliser.

Mutton has for decades been the cheapest New Zealand meat. It is impossible to have a large lamb and wool industry without producing thousands of ageing ewes which become mutton. But demand for mutton is declining.

New Zealand is now making a concerted effort to develop new products based on mutton. The Japanese showed the way a few years ago when they turned New Zealand mutton into luncheon meat.

One aim is to use mutton for various tinned foods which could find a market in Africa and elsewhere.

A new processing plant is being built to separate lamb carcases into individual joints—aimed specifically at the British market.

But it is in the killing and processing operations where the biggest changes will come. Moves to close ageing meat works and introduce shift work will create considerable social problems and trade union and community concern.

A New Zealand freezing works is a big operation. Each day up to 10,000 lambs are slaughtered, skinned, processed and frozen. Many of these works are in small towns. They are important employers—not only to the hundreds directly employed, but also in transport, engineering and construction.

Nevertheless plant and equipment in a freezing works are undoubtedly under-utilised and the unit processing cost is higher than that of competitors abroad.

New Zealand's costs are also higher because it has a shorter killing season. Fewer plants working longer each day and for longer periods in the year would cut costs dramatically.

The season could be extended by encouraging farmers to lengthen their breeding season. Farmers naturally want their lambs born at the best growing time. But incentives may now be offered to extend the season.

Of the big meat processing plants all are modern, but some are more efficient and have more up-to-date processing facilities.

The cost of closing older, loss-making plants will be immense—often higher than the cost of continuing at a loss. Many plants are valued on company books at far above earning capacity or break-up value. Directors will be reluctant to write off these assets, particularly where they provide security for bank loans.

To help overcome this problem works may be given "killing rights." Loss makers could sell these to plants that want to expand. In effect expanding companies would pay others to close.

The meat board is planning too to revitalise its marketing and to introduce more business-like methods into government meat inspection.

Will these changes be enough to end the decline in New Zealand's most important industry? The next two years will tell.

Yamani fails to calm oil jitters

BY DOMINIC LAWSON

A CLAIM by Sheikh Yamani, thet Saudi Oil Minister, that the Organisation of Petroleum Exporting Countries was well within its official production ceiling failed yesterday to calm a suddenly very jittery world oil market.

The Sheikh said in Bahrain that Opec output in April was between 15.2m and 15.3m barrels of oil a day, compared with its ceiling of 16m b/d.

This bold assertion surprised many observers, even within Opec, particularly as the chairman of Opec's market monitoring committee, Dr Mana Saeed Al Otaiba, said last week that Opec's production was about 16m b/d, while the influential Middle East Economic Survey said Opec output was running at 16.4m b/d.

That report, combined with others that Egypt was to cut its official price by 75c a barrel in May, had started spot market weakness, which yesterday became even more pronounced.

In the North Sea market, quotes for dated cargoes of Brent, the main UK crude, fell by 30c a barrel to $27.50, while June cargoes were traded as low as $27.10. In early trading on the New York Mercantile Exchange, falls of up to 27c a barrel were seen in crude oil futures.

The main focus of weakness appears to be in the Mediterranean, as the Soviet Union's Urals oil has returned increasingly to the market, having been frozen out in the Russian winter.

The official Urals price is $28, but in the wake of reports of Egyptian cuts, traders are holding back, expecting an official price cut from the Russians. Yesterday Urals crude was reported "weak" at only $27.10 in the spot market.

Unlike the downward price spirals last year, the current weakness does not seem to be led by product price weakness, with gasoline prices still buoyed up by seasonal strength in the U.S. market.

However, fuel oil prices have continue to unwind following the end of the UK miners' strike. Fuel oil prices are now quoted around $152 a tonne, about $30 a tonne down on a fortnight ago, and with no sign of a break in the downward trend.

Even if Opec is producing within its quota, as the Saudi Oil Minister insists, this does not automatically mean that the market will harden, oil analysts say.

Even at the current low levels of production, Opec countries are having to discount, says Mr Mehdi Varzi, oil analyst at stockbrokers Grieveson Grant.

However, at least one Opec member, Nigeria, is clearly adding to market weakness by producing about 1.7mbd, compared with an official quota of 1.3mbd.

U.S. heating oil stocks fall again

By Nancy Dunne in Washington

U.S. STOCKS of distillate fuel oil continued their five-month decline last week, reaching a level of about 97.1m barrels, according to the American Petroleum Institute (API).

However, the decline appears to be moderating. Stocks fell only 2.3m barrels from the previous week to a point only 3.2m barrels below last year at this time.

Crude oil stocks reversed a three-week decline last week, moving to 332.4m barrels, up 3m barrels from the previous week and down 13m from 1984.

U.S. crude oil imports were 3.5m barrels last week and product imports were 1.4m barrels, both in their usual range.

Gasoline stocks fell only 459,000 barrels to 215.8m barrels. This was more than 33.8m barrels behind last year. Residual fuel oil stocks stood at 44.8m barrels, barely moving from levels of recent weeks.

Tax reforms 'will hit U.S. farm income'

THE U.S. Treasury Department's tax reform plan would lower net farm income, increase farmers' production costs and lead to a decline in agricultural production, according to a private study.

Wharton Econometric Forecasting Associates of Philadelphia forecast the planned tax changes would trigger a $22.6bn decline in net farm income. Production costs would rise by $15.7bn and agricultural production would decline by $9.1bn between 1986 and 1993.

The predictions are based on tax reform proposals that would eliminate investment tax credits, accelerated depreciation and cash-basis accounting.

The study said the proposals would increase capital costs, which would reduce investment and in turn reduce productivity—increasing both inflation and interest rates.

The greatest impact for agriculture would be a cut in livestock herds by an estimated 2.3 per cent a year for the first three years. Wharton economists estimated 20 per cent of the cattle in the Midwest were reared because of current tax advantage to investors outside agriculture.

The study said the fall in livestock would cut domestic feed demand and reduce maize and soyabean acreages.

Prices for beef, pork and poultry would increase, and the number of farm workers would decline by 26,000 it estimated. Reuter

Japan to swap cows for Chinese pigs

JAPAN plans to import highly prolific Chinese pigs in exchange for exporting dairy cows.

The pigs, highly resistant to disease, give birth to litters of 14-17 piglets as against 10 at most by Japanese pigs.

The two nations agreed on the deal at the fourth meeting of the Japan-China science and technology group.

LONDON MARKETS

LONDON coffee futures values continued this week's rise yesterday with the July quotation gaining another £26.50 to £2,161 a tonne. This took the cumulative rise on the week to £133.50 a tonne.

Prices opened a little down from Tuesday's close reflecting the weak overnight tone in the New York market. July coffee slipped to £2,110 a tonne at one stage before the renewed slide in sterling against the dollar sparked a strong upturn.

Traders said Brazil's announcement of a reduction in its special discount on sales to large roasters had little market impact

MAIN PRICE CHANGES

In tonnes unless otherwise stated

METALS	Apr. 24 1985	+ or —	Month ago
Aluminium	£1100	......	£1100
Free Mkt	$1140/175	—5	$1120/140
Copper			
Cash h Grade	£1229	+13.25	£1151.5
3 mths	£1196.5	+25.25	£1171.75
Gold troy oz	$322.75	—3.75	$331.75
Lead Cash	£310	... ...	£293
3 mths	£309.0	—0.25	£301.75
Nickel			
Free Mkt	245/275c	......	258/268c
Palladium oz	$109.70	—1.05	$116.25
Platinum oz	$278.50	—2.25	$282.75
Quicksilver†	$280/290	......	$285/295
Silver troy oz	498.05p	—1.85	544.55p
3 mths	513.05p	—1.85	562.50p
Tin cash	£9312.5	+82.5	£9568
3 mths	£9331	+106	£9558
Tungsten	$77.70	......	$76.70
Wolfram 22 04lb	$72/74	.. ..	$75/78
Zinc	£711.5	+8.5	£776.5
3 mths	£712.5	+11	£734.5
Producers	$960	......	$900/940

	Apr. 24 1985	+ or —	Month ago
OILS			
Coconut (Phil)	$775w	......	$870
Palm Malayan	$650y	......	$655
SEEDS			
Copra Phil	$490w	......	$510
Soyabean (U.S.)	$240.5	......	$255.4
GRAINS			
Barley Fut. Sep	£98.90	+0.10	£98.60
Maize	£151.00	......	£152.00
Wheat Fut. July	£122.85	+0.35	£121.50
No. 2 Hard Wint.	‡	......	‡
OTHERS			
Cocoa Ft. July	£1880.5	+2	£2035.5
Coffee Ft. July	£2161	+26.5	£2202
Cotton A index	76.10c	+0.05	67.50c
Gas Oil May	$226.75	—1	$233.75
Rubber (kilo)	65p	......	66p
Sugar (raw)	$96wz	—2.5	$112
Wooltops 64s	456p	......	506pkilo

‡ Unquoted. w April-May. z June. y May. † Per 76-lb flask. c Cents a pound.

INDICES

FINANCIAL TIMES

April 23	April 22	M'th ago	Year ago
294.09	293.35	297.58	309.25

(Base: July 1 1952 = 100)

REUTERS

Apr. 24	Apr. 23	M'th ago	Year ago
1877.1	1873.9	1985.7	2011.3

(Base: September 18 1931 = 100)

MOODY'S

Apr. 22	Apr. 19	M'th ago	Year ago
947.9	951.9	964.3	—

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Apr. 22	Apr. 19	Month ago	Year ago
Spot	119.88	119.99	119.57	—
Fut.	123.23	123.19	123.00	—

(Base: December 31 1974 = 100)

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1240 1	+15.5	1228-30	+13.2
3 months	1197 8	+20	1196 7	+25.2
Settlem't.	1241	+15	—	—
Cathodes.				
Cash	1200-3	+29.5	1198-200	+28
3 months	1196 8	+24.5	1194-6	+25
settlem't.	1203	+30	—	—

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £1,243, 40, three months £1,187, 86, 87, 88, 89, 90, 92, 94, 95, 96, 97, 98, 97. Cathodes: Cash £1,203, three months £1,197, 96. Kerb: Higher Grade: Three months £1,198, 97, 96, 97, 98. Afternoon: Higher Grade: Three months £1,196, 95, 96, 97, 98, 99, 96, 97, 98, 96. Cathodes. Three months £1,194. Kerb: Higher Grade: Three months £1,199, 1,200, 01, 02, 03, 02. Turnover: 23,000 tonnes. U.S. Producers: 69-74 cents a pound.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	9350-5	+210	9320 5	+87.5
3 months	9365-70	+200	9340-1	+95.5
Settlem't.	9355	+210	—	—
Standard.				
Cash	9330-40	+192	9310-5	+82.5
3 months	9355 60	+202	9330 3	+106
Settlem't.	9340	+195	—	—
Straits. E.	$28.48		—	—

Tin—Morning: Standard: Cash £9,340, 35, three months £9,330, 40, 50, 55, 60, 55, 50, 55. High Grade: Cash £9,355, 50. Kerb: Standard: Three months £9,360, 80. Afternoon: Standard: Three months £9,360, 50, 55, 45, 40, 30. High Grade: Three months £9,340. Kerb: Standard: Three months £9,320, 10, 20. Turnover: 1,115 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	361.5-7	+62.5	309-11	—
3 months	314.5 5.5	+5.25	308 10	-.25
Settlem't	317	+6	—	—

Lead—Morning: Cash £316, 16.5, three months £315, 15 5, 15. Kerb: Three months £315, 15.5, 16. Afternoon. Three months £313, 12, 13, 11, 10. Kerb: Three months £309, 08, 06, 04, 05. Turnover: 7,800 tonnes. U.S. Spot: 20-22 cents a pound.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	718 9	+19.5	711-2	+8.5
3 months	716.5-7.5	+20.5	712 3	+11
Settlem't	719	+19	—	—

Zinc—High Grade Official / Unofficial prices: Cash am £742-£747, pm £735-£738. Three months am £742-£747, pm £730-£735. Settlement £747. Morning: Three months £720, 17, 18, 17.5, 17, 18, 17.5. Kerb: Three months £716. Afternoon: Three months £714, 12. Kerb: Three months £712, 13, 14. Turnover: 8,400 tonnes. U.S. Prime Western: 46.50-47.75 cents a pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	903.5 4	+14.2	902-3	+14½
3 months	923.5-4	+25	921.5-2	+15½

Aluminium—Morning: Cash £904, three months £924, 23, 22, 23, 24, 23, 22, 25, 24, 23.5, 24, 23. Kerb: Three months £926, 28, 29, 28, 27. Afternoon: Three months £921, 22. Kerb: Three months £919, 18, 19, 20, 22, 24, 23, 24. Turnover: 16,200 tonnes.

GOLD

Gold fell $3¼ to $322½-323 on the London bullion market yesterday. It opened at $321½-322 and was fixed at $322.60 in the morning and $322 in the afternoon. The metal fell to a low of $320¼-320¾ around noon, as the dollar rose sharply on the foreign exchanges, but then improved to a peak of $323-323½ as New York began trading, and the dollar fell back.

GOLD BULLION (fine ounce) Apr. 24

Close	$322½-323	(£262¾-263¼)
Opening	$321½-322	(£257¾-258¼)
M'n'g fix.	$322.60	(£259.221)
Aft'n'n fix.	$322.00	(£261.895)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$332¼-332¾	(£270-270½)
½ Krug.	$171¼-171¾	(£139¼-139¾)
¼ Krug.	$87½-88	(£71¼-71½)
1/10 Krug.	$35¾-36¼	(£29-29½)
Mapleleaf	$332½-333	(£270¼-270¾)
New Sov.	$76¼-76¾	(£62-62½)
½ New Sov	$46½-47	(£37¾-38¼)
Old Sov.	$77½-79	(£63-64½)
$20 Eagle	$440-480	(£357¼-390¼)
Noble Plat	$287-290½	(£230-235¾)

SILVER

Silver was fixed 1.85p an ounce lower for spot delivery in the London bullion market yesterday at 498.05p. U.S. cent equivalents of the fixing levels were: spot 612.35c, down 23.25c; three-month 624.75c, down 23.75c; six-month 638.9c, down 24.5c$ and 12-month 667.9c, down 24.55c. The metal opened at 492-495p (614-617c) and closed at 502-505p (617-620c).

SILVER per troy	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	498.05p	-1.85	501p	-0.5
3 months	513.05p	-1.85	516.75p	—
6 months	527.70p	-1.80	—	—
12 months	554.55p	-1.20	—	—

LME—Turnover: 129 (47) lots of 10,000 oz.

Morning: untraded. Kerb: three months 514, 15. Afternoon: 1st ring three months 516; 2nd ring three months 517. Kerb: untraded.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	4750-5	+355	4670-80	+205
3 months	4530-5	+230	4620-5	+147

Nickel—Morning: Cash £4,460, 90, 4,510, 15, 4,750, 40, 50, 48, 50, three months £4,530, 50, 30. Kerb: Cash £4,760, 70, three months £4,560, 55. Afternoon: Cash £4,700, three months £4,555, 30, 20, 25. Kerb: Three months £4,515, 4,500, 4,490. Turnover: 2,214 tonnes.

COCOA

Following an unchanged opening futures drifted in a narrow range to end an unexciting day only marginally steadier. Physicals were more active than of late and both cocoa beans and butter attracted healthy consumer interest, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1864-1865	+4.0	1871-1845
July	1880-1881	+2.0	1887-1865
Sept.	1853-1854	+2.0	1858-1857
Dec.	1796-1798	+3.0	1802-1784
Mar.	1795-1796	+5.0	1798-1785
May	1796-1805	+8.0	1800-1798
July	1795-1810	+0.5	—

Sales: 3,840 (6,679) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for April 23: 99.71 (102.29); five-day average for April 24: 102.00 (102.37).

COFFEE

COFFEE	Yesterd'ys Close	+ or —	Business Done
May	2110-15	+28.5	2122-74
July	2160-62	+26.5	2170-10
Sept.	2196-98	+30.5	2211-58
Nov.	2226-29	+29.0	2237-88
Jan.	2236-40	+28.0	2245-15
March	2226-40	+35.0	2220-05
May	2175-20	+17.5	—

Despite an easier tone overnight futures recovered well from initial commission house selling, reports Drexel Burnham Lambert. An improving dollar prompted trade buying throughout an active morning and prices made further gains during the afternoon as renewed speculative interest. At the close profit-taking trimmed gains.

Sales: 2,465 (3,696) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for April 23: Comp. daily 1979 132.06 (132.06); 15-day average 131.72 (131.85).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 217 tonnes. Trading was on moderate lines and Colombian qualities made the most headway

GRAINS

Old crop wheat lost 35p on a very limited trade after a huge first-day tender but quickly recovered and rallied strongly on short-covering to reach 70p up before easing a little in nervous trading. Barley followed a similar pattern. New crops were always steady but never liquid, reports Muirpace.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yesterdys close	+ or —
May	119.20	+0.55	114.75	+0.15
July	122.85	+0.35	—	—
Sept	99.90	+0.25	98.90	+0.10
Nov	102.95	+0.25	102.45	+0.15
Jan	106.60	+0.20	105.90	+0.10
Mar	109.80	+0.20	109.25	+0.15

Business done—Wheat: May 119.35-8.35, July 12.00-2.25, Sept 99.80-9.65, Nov 103.00 only, Jan 106.70-6.60, March 109.90-9.70. Sales: 376 lots of 100 tonnes. Barley: May 115.10-4.75, Sept 99.00-8.90, Nov 102.40 only, Jan 105.90 only, March 109.20 only. Sales: 42 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. dark northern spring No 1 15 per cent April/May 162.75, June 150.75, July 150.35 transhipment east coast. U.S. No 2 soft red winter May 143, July 134.25, Aug 134.75, Sept 136.75 transhipment east coast. EC French July 118 cif free out south-west coast. English feed May 124, June 125.50, Aug-/Sept 100.50, Oct-Dec 105.50 sellers east coast. Maize: U.S. No 3 yellow/French transhipment east coast April 151. Barley: English feed fob May 117, July/Aug 98.50, Sept 101.50, Oct/Dec 105.50 sellers east coast. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 114.70, E. Mids 114.60, N. East 115.40. The UK monetary coefficient for the week beginning Monday April 29 will remain unchanged.

PIGMEAT

Prices closed higher due to slightly steadier physicals and light fresh buying in thin volume, reports CCST Commodities.

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
June	104.00	103.30	105.00
Aug	100.90	100.90	100.80-100.50
Oct	106.60	106.70	107.00-106.30
Nov	107.30	107.20	107.50-107.00
Feb	99.40	99.30	99.40
April	99.70	100.00	—

Sales: 29 (77) lots of 50 carcases, 3,250 kg.

POTATOES

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
April	44.00	50.10	48.00-42.00
May	52.10	58.80	54.00-52.10
Nov	70.50	70.50	72.00-70.00
Feb	79.50	77.60	80.00
Apr	94.90	95.00	96.50-94.00

Sales: 341 (257) lots of 40 tonnes.

OIL

The glut of May North Sea barrels combined with neutral API statistics to depress Brent prices 20c. Gulf crudes fell another 5c and Nymex was 29c down by noon EST. In the petroleum products market, despite bearish market sentiments, gas oil quotes faltered towards the close and prices were unchanged for April delivery. Heavy fuel was quiet and unchanged—Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)—May		
Arab Light	27.50-27.60	-0.05
Arab Heavy	26.25-26.35	—
Dubai	26.40-26.50	-0.05
Brent Blend	27.40-27.50	-0.30
W.T.I. (1pm est)	28.38-28.35	-0.125
Forcados (Nigeria)	27.80-28.00	-0.175
Urals (cif Med)	27.20-27.50	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	280-282	—
Gas Oil	230-231	—
Heavy fuel oil	152-154	—

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close	+ or —	Business Done
	$ U.S. per tonne		
April	232.00	+1.00	232.50-31.75
May	226.25	-0.50	229.25-28.00
June	222.50	-0.75	225.00-22.50
July	220.75	-1.25	221.75-20.75
Aug	223.25	-2.25	223.25
Sep	225.50	-0.50	225.50
Oct	226.50	-1.50	—

Turnover: 1,062 (1,248) lots of 100 tonnes.

RUBBER

PHYSICALS — The London market opened unchanged, fluctuated throughout the day and closed easier, reports Lewis and Peat. Closing prices (buyers) spot 65.00p (same); June 68.75 (66.50p); July 68.25. The Kuala Lumpur fob price for RSS No 1 was 193.0 (193.5) cents a kg and for SMR 20 was 192.5 (same).

SOYABEAN MEAL

The market was steadier as a strengthening dollar offset weaker U.S. markets.

	Yesterday close	+ or —	Business Done
	£ per tonne		
June	128.6-128.9	+1.75	—
August	124.6-124.8	+0.75	124.6-124.8
October	127.0-127.3	+0.90	127.5-126.5
Dec	131.8-131.2	+0.80	131.0
Feb	135.5-136.5	+0.65	—
Apr	135.5-138.0	+0.85	—
June	137.1-138.9	+1.25	—

Sales: 47 (865) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $96.00 (£77.00), down $2.50 (same) a tonne for April-May-June delivery. White sugar $132.50, unchanged.

Colombia called a snap tender for 48,000 tonnes of raws for May/June shipment and all positions fell to new lows, reports C. Czarnikow.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
May	98.0-99.8	98.2-98.6	99.0-98.4
Aug	107.8-108.0	105.6-108.0	108.0-104.6
Oct	111.4-112.0	109.2-109.6	112.0-109.4
Dec	115.0-116.0	116.8-117.0	116.0-116.8
Mar	129.4-129.8	128.0-128.2	129.8-127.2
May	133.0-134.0	133.6-135.6	134.0-135.0
Aug	138.0-139.0	138.0-138.0	139.0

Sales: 2,179 (1,248) lots of 50 tonnes.

Tate & Lyle delivery price for granulated basis sugar was £184.50 (same) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for April 23: Daily price 3.00 (3.22); 15-day average 3.50 (3.56).

U.S. MARKETS

PRECIOUS METALS weakened in response to a dramatic strengthening in the dollar against key Continental currencies, reports Heinold Commodities. Sympathetic selling was also evident in aluminium and copper although support was evident from supply considerations. Sugar came under pressure on long liquidation reflecting disappointment over the inability to rally in light of Indian purchases. Cocoa weakened on indication of better supply availability. Coffee was under light pressure from profit-taking encouraged by weakness in outside markets. Cotton declined on long liquidation into the first notice day today. The grain complex was generally weaker on dollar strength and liquidation in maize and wheat ahead of the first notice day next Tuesday.

● These are Tuesday's prices. Yesterday's were not available for this edition.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
April	48.80	—	—	48.85
May	48.90	49.10	48.55	49.00
June	49.35	—	—	49.45
July	49.75	49.90	49.35	49.85
Sept	50.55	50.80	50.30	50.65
Dec	51.75	51.90	51.90	51.85
Jan	52.15	—	—	52.25
March	52.95	—	—	53.06
May	53.75	—	—	53.85
July	54.55	—	—	54.65

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
May	2420	2435	2402	2449
July	2182	2205	2161	2221
Sept	21.30	21.60	21.15	21.67
Dec	2090	2110	2078	2128
March	2078	2095	2077	2130
May	2078	2080	2080	2130
July	2078	—	—	2130

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
May	143.99	45.70	43.70	45.16
July	144.43	45.95	44.10	45.28
Sept	144.38	46.10	43.80	44.46
Dec	143.00	44.20	43.50	43.93
March	142.75	43.50	42.25	43.25
May	141.75	—	—	52.50
July	139.75	—	—	41.55

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
April	61.85	—	—	62.25
May	61.95	62.70	61.65	62.40
June	62.45	—	—	62.90
July	62.95	63.65	62.60	63.35
Sept	63.45	64.10	63.05	63.80
Dec	63.85	64.50	63.50	64.25
Jan	64.00	—	—	64.40
March	64.25	64.70	64.20	64.70
May	64.60	65.05	64.40	65.05
July	64.95	65.50	64.90	65.45

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
May	68.27	68.80	67.55	68.07
July	66.62	67.15	66.45	66.89
Oct	65.08	65.66	64.85	65.10
Dec	65.35	65.40	65.07	65.23
March	66.45	66.35	66.28	66.53
May	67.40	67.30	67.30	67.43
July	67.98	67.90	67.75	67.75

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Close	High	Low	Prev
June	28.26	28.43	28.15	28.49
July	27.60	27.72	27.50	27.77
August	27.31	27.46	27.25	27.60
Sept	27.09	27.20	27.03	27.27
Oct	26.95	27.10	27.00	27.34
Nov	26.95	—	—	27.40
Dec	26.96	27.25	26.85	27.45

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
April	323.0	328.0	322.5	327.4
May	323.5	—	—	328.0
June	325.6	330.3	323.5	330.1
August	329.8	334.5	328.0	334.3
Oct	334.4	338.0	333.8	338.8
Dec	339.3	344.0	337.5	343.6
Feb	344.6	348.0	345.0	348.9
April	350.1	353.4	352.3	354.3
June	356.1	—	—	360.2
August	362.1	—	—	366.2
Oct	368.1	—	—	372.3
Dec	374.8	—	—	379.0
Feb	381.7	383.4	383.4	385.9

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
May	76.70	76.90	76.10	77.20
June	72.80	73.00	72.10	73.31
July	71.70	71.70	70.90	72.07
August	71.95	71.95	71.50	72.70
Sept	72.75	72.75	72.20	73.25
Oct	73.30	73.50	73.00	74.25

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
May	158.80	59.20	56.50	56.05
Sept	155.60	55.80	55.10	55.00
Nov	153.60	53.60	53.30	52.95
Jan	153.20	53.20	53.20	52.95
March	153.30	53.50	53.40	53.50
May	153.30	—	—	53.10
July	153.30	—	—	53.10

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
April	281.8	285.0	284.0	286.2
June	282.3	—	—	286.7
July	283.3	288.0	281.0	287.7
Oct	287.8	292.0	286.0	292.2
Jan	293.5	297.5	293.5	297.9
April	299.9	303.5	298.0	304.3

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
April	619.3	637.0	631.5	638.3
May	619.5	639.0	616.0	638.5
June	623.6	634.0	619.0	642.6
July	627.9	648.0	625.0	647.0
Sept	637.2	658.0	634.0	656.4
Dec	652.1	672.0	649.0	671.4
Jan	657.4	—	—	676.8
March	667.6	690.0	664.0	687.1
May	678.7	693.0	690.0	698.3
July	690.2	710.0	692.0	708.9

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
May	3.27	3.31	3.21	3.35
July	3.47	3.51	3.44	3.52
Sept	3.66	3.68	3.63	3.70
Oct	3.81	3.82	3.75	3.85
Jan	4.17	4.19	4.15	4.21
March	4.68	4.72	4.65	4.75
May	4.92	4.92	4.87	4.98
July	5.13	5.13	5.06	5.20

CHICAGO

LIVE CATTLE 40,000 lbs, Cents/lbs

	Close	High	Low	Prev
June	62.67	63.22	62.32	63.47
Aug	64.05	64.50	63.60	64.60
Oct	63.00	63.35	62.65	63.35
Dec	64.45	64.55	64.12	64.50
Feb	64.90	65.15	64.65	65.07
April	66.05	66.05	65.50	66.20

LIVE HOGS 30,000 lb, Cents/lb

	Close	High	Low	Prev
June	47.22	47.45	46.75	47.30
July	49.77	49.92	49.25	49.72
Aug	49.90	50.15	49.40	49.82
Oct	46.97	47.05	46.55	46.77
Dec	48.10	48.35	47.90	48.10
Feb	48.65	48.90	48.45	48.50
April	45.50	45.50	45.12	45.15
June	47.92	48.12	47.80	48.30
July	47.80	47.80	47.75	—

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
May	283.0	284.0	282.4	285.0
July	281.0	281.6	280.6	282.0
Sept	270.6	271.2	270.2	271.2
Dec	265.4	266.6	265.0	266.4
March	272.6	274.0	272.4	273.6
May	278.0	278.4	277.6	278.4
July	279.6	280.6	279.4	280.0

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
May	65.87	65.95	64.55	66.27
July	67.12	67.20	65.75	66.32
Aug	65.50	65.75	64.50	64.87
Feb	72.20	72.20	71.47	71.97
March	71.50	71.50	70.85	71.35
May	72.25	72.25	72.00	72.25
July	72.97	72.97	72.90	73.25

SOYABEANS 5,000 bu min, cents/60-bushel

	Close	High	Low	Prev
May	595.0	597.2	592.2	597.2
July	602.0	604.2	599.4	603.6
Aug	604.0	605.2	601.2	605.0
Sept	602.4	603.4	600.4	603.4
Nov	609.2	610.0	606.0	609.2
Jan	620.0	620.4	617.0	620.0
March	631.0	631.0	628.0	631.0
May	637.4	637.4	636.0	638.4
July	644.0	—	—	644.4

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
May	125.1	126.0	124.6	126.7
July	131.1	131.8	130.6	132.7
Aug	134.0	134.7	133.6	135.5
Sept	136.6	137.6	136.5	138.1
Oct	139.7	140.5	139.0	141.5
Dec	144.9	145.7	144.5	146.5
Jan	147.1	148.3	147.0	148.5
March	151.6	154.0	151.6	154.1
May	156.7	—	—	157.5
July	159.3	—	—	160.5

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
May	32.03	32.18	31.50	31.81
July	30.72	30.80	30.30	30.43
August	29.98	30.05	29.60	29.65
Sept	29.38	29.40	28.80	28.97
Oct	28.50	28.50	28.00	28.00
Dec	27.82	27.85	27.30	27.35
Jan	27.45	27.52	27.05	27.00
March	27.25	27.25	26.85	26.70
May	26.90	—	—	26.60
July	26.60	—	—	—

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
May	347.4	354.0	347.0	355.6
July	331.0	333.4	331.0	333.6
Sept	331.2	333.4	331.2	333.4
Dec	341.6	344.4	341.6	344.4
March	347.2	349.0	347.2	349.4
May	344.4	—	—	346.4

OTHER MARKETS

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business)—Australian cents per kg. May 635.0, 639.0, 635.0-631.0; July 648.0, 650.0, 657.0-646.0; Oct 634.0, 637.5, 638.0-635.0; Dec 638.0, 640.0, 643.0-637.0; Mar 641.0, 643.0, 643.0-640.5; May 652.0, 653.0, 653.0-649.5; July 654.0, 658.0, nil; Oct 634.0, 645.0, nil. Sales: 122.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. May 511, 513, 512-511; Aug 530, 533, nil; Oct 533, 536, nil; Dec 535, 537, 536; Jan 538, 538, nil; March 544, 548, 546; May 550, 553, 553; Aug 564, 565, nil; Oct 566, 567, nil. Sales: 8.

MEAT

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 96.11p per kg lw (+1.52). GB—Sheep 247.67p per kg est dcw (+3.55). GB—Pigs 77.73p per kg lw (+0.55). GB—AAPP 102.07p per kg dw (−0.32).

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 74.0-81.0; English hindquarters 97.0-100.0, forequarters 46.0-50.0; Ulster forequarters 46.0-50.0. Veal—Dutch hinds and ends 124.0-127.0. Lamb—English small (new season) 122.0-128.0, medium (new season) 120.0-125.0, heavy (new season) 116-120.0; Imported: New Zealand PL (new season) 67.0-69.5, PX (new season) 65.0-66.0. Fat Sheep—English 90.0-100.0. Pork—English under 100lb 42.0-58.0, 100-120lb 51.0-56.0, 120-160lb 40.0-46.0.

ROTTERDAM

WHEAT—(U.S. $ per tonne): U.S. two soft red winter May 160.50, July 148, Aug 148, Sept 151.50 sellers. U.S. two northern spring 14 per cent protein April/May 175, June 170.50, July 169.50, Aug 167.50, Sept 164.50, Oct 169.50 sellers. U.S. northern spring 15 per cent protein April/May 185.25, July 177.50 sellers. U.S. three hard amber durum May 181.50, June 180, July 179, Aug 179, Sept 173, Oct 176 sellers.

PARIS

SUGAR—(FFr for tonne): Aug 1261-1263, Oct 1280-1283, Dec 1330-1333, March 1410-1412, May 1455-14-67, Aug 1526-1540.

COCOA — (FFr per 100 kg): May 2159-2162, July 2180 bid, Sept 2137-2157, Dec 2062-2072, March 2085 bid, May 2085 bid, July 2085 bid.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Volcker provides dollar boost

The dollar rose sharply in nervous foreign exchange trading, but came off the day's peaks as Mr Paul Volcker, chairman of the U.S. Federal Reserve Board, began to give testimony before a Congressional banking subcommittee. Mr Volcker's comments the previous day about the difficulty of reducing interest rates, with such a high Federal budget deficit to finance, was a major factor behind yesterday's demand for the dollar. This began in the U.S. overnight, and may have been fuelled by large speculative positions looking for *a firmer dollar on the Chicago* futures market. Other factors behind the dollar's recent surge are indications that economic growth in the present quarter will be higher than during the first three months of the year, coupled with the resilience of the currency after the sharp fall in March durable goods orders and the earlier disappointing revision to first quarter gross national product growth.

The dollar touched a peak of DM 3.1370, and closed at DM 3.1190 compared with DM 3.0720. It also rose to FFr 9.5050 from FFr 9.3650; SwFr 2.60 from SwFr 2.5475; and Y251.35 from Y249.65.

On Bank of England figures the dollar's index rose to 146.9 from 144.9.

STERLING — Trading range against the dollar in 1985 is 1.2940 to 1.0525. March average 1.1260. Exchange rate index fell sharply to 77.3 from 78.8. It opened at 78.5, the highest level of the day, and fell to a low of 77.0 at 2 pm.

Sterling came under slight selling pressure, and after a reasonably strong start lost ground to all major currencies, particularly the dollar. High London interest rates failed to prevent the pound losing ground, after a recent downward trend in spot oil prices on the European market. Sterling fell 2.70 cents to $1.2245-1.2255, and also declined to DM 3.8250 from DM 3.8450; FFr 11.6850 from FFr 11.72; SwFr 3.18 from SwFr 3.1925; and Y308 from Y312.25.

D-MARK — Trading range against the dollar in 1985 is 3.4510 to 2.9845. March average 3.2972. Exchange rate index 121.3, compared with 121.7 six months ago.

The D-mark weakened against the dollar, on indications that U.S. interest rates are unlikely to fall much further in the near future and anticipation of *higher U.S. economic growth* in the current quarter. The dollar closed in Frankfurt at DM 3.1265 compared with DM 3.0350 on Tuesday. Earlier in the day the Bundesbank did not intervene when the U.S. currency rose to DM 3.1275 from DM 3.0345 at the Frankfurt fixing. Trading was nervous, lacking new factors, with dealers divided over the dollar's future trend, although many were surprised at the sudden rise. The D-mark showed mixed changes against other major currencies at the fixing.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu April 24	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	46.0118	+0.25	+0.37	±1.5471
Danish Krone ...	8.14104	8.02802	−1.39	−1.27	±1.6419
German D-Mark	2.24184	2.23560	−0.28	−0.16	±1.1476
French Franc ...	6.87456	6.81922	−0.80	−0.68	±1.3659
Dutch Guilder...	2.52595	2.52790	+0.08	+0.20	±1.5171
Irish Punt	0.72569	0.713792	−1.64	−1.52	±1.6673
Italian Lira	1403.49	1429.90	+1.88	+1.88	±4.0610

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

STERLING INDEX

	April 24	Previous
8.30 am	78.5	79.0
9.00 am	78.4	79.1
10.00 am	78.5	79.2
11.00 am	78.3	79.2
Noon	78.0	78.9
1.00 pm	77.8	79.0
2.00 pm	77.0	79.0
3.00 pm	77.4	79.0
4.00 pm	77.3	78.8

£ IN NEW YORK

	April 24	prev. close
£ Spot	$1.2255-2275	$1.2552-2562
1 month	0.50-0.47pm	0.54-0.52pm
3 months	1.25-1.20pm	1.27-1.22pm
12 months	2.60-2.45pm	2.65-2.50pm

Forward premiums and discounts apply to the U.S. Dollar.

POUND SPOT—FORWARD AGAINST POUND

April 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2130-1.2530	1.2245-1.2265	0.50-0.47c pm	4.75	1.25-1.20pm	4.00
Canada	1.6700-1.6990	1.6725-1.6775	0.48-0.39c pm	3.12	1.20-1.06pm	2.70
Nethlnd.	4.30¼-4.38½	4.31½-4.32½	2⅜-2¼c pm	6.42	6⅝-5⅞pm	5.61
Belgium	76.45-78.15	76.90-77.10	27-21c pm	3.74	61-52pm	2.94
Denmark	13.66¾-13.88	13.79½-13.80½	4½-3¼ore pm	3.53	10¼-8¾pm	2.81
Ireland	1.2150-1.2360	1.2195-1.2205	0.10p pm-0.06 dis	−0.20	0.22pm-.21d	−0.02
W. Ger.	3.79½-3.87¾	3.82-3.83	2½-2⅜pf pm	7.65	6½-6⅜pm	6.67
Portugal	211½-220	212-216	130-510c dis	−17.94	470-1475dis	−18.18
Spain	212½-215¾	212½-213	10c pm-10 dis	—	15-85dis	−0.95
Italy	2,426½-2,474	2,443½-2,444½	2 lire pm-1 dis	−0.25	3-7dis	−0.82
Norway	11.00½-11.13¼	11.09½-11.10½	¾ore pm-½ dis	—	¼pm-1½dis	−0.07
France	11.55¾-11.83	11.68-11.69	2¼-2¾c pm	2.57	6¼-5¼pm	2.01
Sweden	11.05-11.20¾	11.05-11.06	½-⅞ore dis	−0.54	2½-3½dis	−0.97
Japan	305¾-313	307½-308½	1.88-1.75y pm	7.09	4.91-4.72pm	6.25
Austria	26.70-27.20	26.75-26.85	14½-13¾gro pm	6.32	37½-34½pm	5.41
Switz.	3.15½-3.22¾	3.17½-3.18½	2¼-2⅛c pm	8.25	5¾-5⅝pm	7.08

Belgian rate is for convertible francs. Financial franc 77.20-77.30. Six-month forward dollar 2.01-1.96c pm, 12-month 2.58-2.40c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

April 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.2130-1.2530	1.2245-1.2255	0.50-0.47c pm	4.75	1.25-1.20pm	4.00
Ireland†	0.9875-1.0125	1.0035-1.0045	0.43-0.33c pm	4.52	1.15-0.85pm	3.98
Canada	1.3600-1.3640	1.3620-1.3630	0.17-0.20c dis	−1.63	0.42-0.47dis	−1.31
Nethlnd	3.4965-3.5480	3.5215-3.5225	0.47-0.44c pm	1.55	1.46-1.43pm	1.64
Belgium	62.30-63.15	62.70-62.80	6-7c dis	−1.24	15-17dis	−1.02
Denmark	11.05¾-11.28	11.19¾-11.19¾	1-1½ore dis	−1.33	2-2½dis	−0.80
W. Ger.	3.0880-3.1370	3.1185-3.1185	0.75-0.70pf pm	2.78	2.10-2.05pm	2.65
Portugal	174-178	175-176	175-475c dis	−22.29	550-1350dis	−21.71
Spain	172¾-175	173-173½	65-73c dis	−4.74	205-230dis	−4.98
Italy	1,972-2,007	1,985½-1,986½	7½-8 lire dis	−4.68	22¾-24dis	−4.76
Norway	8.91-9.04	8.99¾-9.00¾	3½-3¾ore dis	−4.65	8½-9dis	−3.89
France	9.42½-9.55½	9.50½-9.50¾	1.65-1.75c dis	−2.13	4.80-4.90dis	−1.99
Sweden	8.97¾-9.08¾	9.03¾-9.03¾	3½-4ore dis	−4.96	10¾-11¼dis	−4.85
Japan	249.60-251.40	251.30-251.40	0.55-0.49y pm	2.48	1.50-1.40pm	2.31
Austria	21.73-22.03	21.93-21.98	3-2½gro pm	1.50	9-7pm	1.45
Switz.	2.5640-2.6150	2.5995-2.6005	0.75-0.69c pm	3.30	1.98-1.92pm	2.98

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 63.00-63.10.

OTHER CURRENCIES

Apr. 24	£	$		£ Note Rates
Argentina Peso..	510.60-511.95	417.19 417.54	Austria	27.00-27.30
Australia Dollar.	1.8440-1.8520	1.5165-1.5210	Belgium	77.50-78.50
Brazil Cruzeiro...	5,936-5,971	4,850-4,870	Denmark	13.78-13.92
Finland Markka.	7.9868 8.0075	6.5060 6.5090	France	11.73-11.83
Greek Drachma.	166.10-169.70	133.15-136.05	Germany	3.84½-3.88½
HongKong Dollar	9.5675 9.5775	7.7805-7.7825	Italy	2450-2495
Iran Rial	117.50*	92.30*	Japan	312-316
KuwaitDinar(KD)	0.3690-0.3700	0.30185 0.30200	Netherlands	4.35-4.39
Luxembourg Fr	76.90-77.10	62.70-62.80	Norway	11.06-11.17
Malaysia Dollar..	3.0550-3.0650	2.4850 2.4900	Portugal	210-222
New Zealand Dlr.	2.6600-2.6900	2.1955 2.2085	Spain	209-218
Saudi Arab Riyal	4.4130-4.4230	3.6100 3.6110	Sweden	11.13-11.24
Singapore Dollar	2.7285-2.7385	2.2140 2.2190	Switzerland	3.23-3.26
Sth African Rand	2.3990-2.4150	1.9340-1.9415	United States	1.22½-1.24½
U.A.E. Dirham....	4.4900 4.5000	3.6720-3.6730	Yugoslavia	300-360

* Selling rate.

CURRENCY MOVEMENTS

Apr. 24	Bank of England Index	Morgan Guaranty Change %
Sterling	77.3	−12.1
U.S. dollar	146.9	+32.1
Canadian dollar	88.8	−6.5
Austrian schilling	111.4	+3.2
Belgian franc	88.9	−11.0
Danish Kroner	77.4	−5.9
Deutsche mark	121.3	+6.4
Swiss franc	139.7	+8.7
Guilder	111.5	+2.8
French franc	64.5	−15.7
Lira	45.2	−16.9
Yen	155.9	+12.0

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

April 24	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.600974	0.584597
U.S. $	8	0.987601	0.713798
Canadian $	9.75	*	0.973256
Austria Sch.	4½	21.5939	15.7248
Belgian Fr	11	62.3275	46.0118
Danish Kr	7	11.0118	8.02802
Dmark	4½	3.06872	2.23560
Guilder	5½	3.49710	2.52790
French Fr	9½	9.44147	6.81922
Lira	15½	1979.65	1429.90
Yen	5	246.999	179.269
Norway Kr.	8	8.82915	6.44733
Span'h Pta.	—	172.040	124.735
Swedish K	9	8.87506	6.47517
Swiss Fr	4	2.57122	1.86500
Greek Dr'ch	20½	133.952	96.6475
Irish Punt	12¾	0.987601	0.713792

* C$/SDR rate for April 23: 1.35610

EXCHANGE CROSS RATES

April 24	Pound St'rling	U.S. Dollar	Deutschem'k	J'panese Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.225	3.825	308.0	11.69	3.180	4.320	2444.	1.675	77.00
U.S. Dollar	0.816	1.	3.119	251.4	9.505	2.600	3.523	1995.	1.367	62.75
Deutschemark	0.261	0.320	1.	80.58	3.055	0.831	1.129	639.0	0.438	20.13
Japanese Yen 1,000	3.247	3.977	12.42	1000.	37.94	10.32	14.03	7935.	5.438	250.0
French Franc 10	0.856	1.048	3.273	263.6	10.	2.721	3.697	2092.	1.433	65.90
Swiss Franc	0.314	0.385	1.203	96.86	3.675	1.	1.358	768.6	0.527	24.21
Dutch Guilder	0.231	0.284	0.885	71.30	2.705	0.736	1.	565.7	0.388	17.82
Italian Lira 1000	0.409	0.501	1.565	126.0	4.781	1.301	1.768	1000.	0.685	31.51
Canadian Dollar	0.597	0.731	2.284	183.9	6.976	1.899	2.579	1459.	1.	45.97
Belgian Franc 100	1.299	1.591	4.966	400.0	15.18	4.130	5.610	3174.	2.175	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Apr. 24	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	12⅞-13⅛	7¾-7⅞	9⅝-9⅞	6⅝-6¾	2-2¼	5⅝-5⅝	10⅛-10¼	12½-13½	9¾-10	9⅝-9⅞	6⅛-6⅛	9½-10
7 day's notice	13-13⅛	8⅛-8¼	9⅝-10⅛	6⅝-6¾	12⅝-12⅞	5⅝-5¾	10⅛-10⅛	11¾-12¾	9⅝-10⅞	9⅝-9⅞	6⅛-6⅛	9¼-9¾
Month	12½-12⅝	8¼-8⅜	9⅞-10⅛	6¾-6⅞	5⅛-5¼	5⅜ 5¾	10½-10⅝	12⅝-13⅛	9⅝-9⅞	9⅝-9⅞	6⅛-6⅜	9⅛ 9⅝
Three months	12⅝-12¾	8⅞-8⅞	10⅛-10¼	6¾-6⅞	5¼-5⅜	5¾-5⅞	10⅝-10¾	13⅛-13⅝	9⅝ 9⅞	9⅝-9⅞	6¼-6⅜	9⅝-9⅞
Six months	12¼-12⅜	8⅞-8⅞	10⅛-10¼	6⅞-6⅞	5⅜-5½	5⅞-6⅛	10¾-10⅞	13⅞-14¼	9⅝ 9⅞	9⅝-9⅞	6⅜-6½	9¾-10¼
One year	11⅞-11⅞	9⅞ 9⅞	10⅝-10⅝	6⅞-6⅞	5⅞-6⅛	6⅛-6¼	10⅞-11⅛	14¼-14¾	10-10¼	9⅞-10⅛	6⅜-6⅞	10⅛ 10⅝

Asian $ (closing rates in Singapore): Short-term 8¼-8⅜ per cent; seven days 8¼-8⅜ per cent; one month 8⁵⁄₁₆-8⁷⁄₁₆ per cent; three months 8½-8⅝ per cent; six months 8¹³⁄₁₆-8¹⁵⁄₁₆ per cent; one year 9⅞-9⅞ per cent. Long-term Eurodollars: two years 10⅜-10⅝ per cent; three years 10¾-11 per cent; four years 11⅛-11⅜ per cent; five years 11⅜-11½ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

UK rates up on weak pound

Interest rates were marked up in London yesterday as sterling reacted to renewed dollar demand by falling to a three-week low. Three-month interbank money rose to 12⅞-12¹¹⁄₁₆ per cent from 12⁷⁄₁₆-12⁹⁄₁₆ per cent, reducing hopes of an early cut in clearing bank base rates. Three-month eligible bank bills were bid at 11¹⁵⁄₁₆ per cent compared with 11⅞ per cent. Overnight interbank money touched a low of 10 per cent after opening at 13½-13⅝ per cent as the market faced a relatively small shortage of funds in relation to the extreme shortages experienced last week.

UK clearing banks base lending rate 12¼-12¾ per cent since April 19

The Bank of England forecast a shortage of around £500m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £370m and the unwinding of previous sale and repurchase agreements a further £589m. These were partly offset by Exchequer transactions which added £545m. However there was a rise in the note circulation of £70m and banks brought forward balances £15m below target.

The Bank gave assistance in the morning of £251m, comprising purchases of £87m of eligible bank bills in band 1 (up to 14 days) at 12⅜ per cent and £8m in band 2 (15-33 days) at 12¼ per cent. In band 3 (34-63 days) it bought £1m of Treasury bills, £1m of local authority bills and £36m of eligible bank bills all at 12⅛ per cent and in band 4 (64-91 days) £118m of eligible bank bills at 12 per cent.

Afternoon help came to £244m and comprised purchases of £64m of eligible bank bills in band 1 at 12⅜ per cent, £79m in band 2 at 12¼ per cent, £38m in band 3 at 12⅛ per cent and £63m in band 4 at 12 per cent. Late assistance came to £130m, making a total of £265m.

MONEY RATES

April 24	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.60-5.75	10⅛	1⅞-2⅛	6⅝ 6¾	6.90625	15¼-15⅝	6.70	12¾-13
One month	5.70-5.85	10⅛-10¼	5-5⅛	6¹¹⁄₁₆-6⅞	6.21875	14¾-15⅛	9⅝-9¾	12⅞-13⅛
Two months	5.75-5.90	10⅛-10¼	—	—	—	—	—	12⅞-13⅛
Three months	5.85-6.00	10⅛-10¼	5⅛-5¼	6¹¹⁄₁₆-6⅞	6.28125	15-15⅛	9⅛-9¼	12¾-13
Six months	5.95-6.10	10⅛-10¼	—	6¹¹⁄₁₆-6⅞	—	—	9⅛-9⅜	12⅝-12⅞
Lombard	6.0	—	—	—	—	—	—	—
Intervervention	—	10⅛	—	6⅞	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Apr. 24 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	10 13⅛	[illegible]	[illegible]	[illegible]	—	—	—	—	—
2 days notice	—	—	[illegible]	—	—	—	—	—	—	—
7 days or	—	—	[illegible]	—	—	—	—	—	—	—
7 days notice	—	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	[illegible]	—	—
Nine months	[illegible]	[illegible]	[illegible]	—	—	—	—	—	—	—
One year	[illegible]	[illegible]	[illegible]	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	—	[illegible]	[illegible]	—	—
One year	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Two years	—	[illegible]	—	—	—	—
Three years	—	[illegible]	—	—	—	—
Four years	—	[illegible]	—	—	—	—
Five years	—	[illegible]	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of Interest period March 6 to April 2 (inclusive): 12.618 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 14 per cent from April 1, 1985. London and Scottish Clearing Bank Rates for lending 12¼-12¾ per cent. London Deposit Rates for sums at seven days' notice [illegible] per cent. Treasury Bills: Average tender rates of discount 11.5647 per cent. Certificates of Tax Deposit (Series 6): Deposits £100,000 and over held under one month [illegible] per cent; one-three months [illegible] per cent; three-six months [illegible] per cent; six-nine months [illegible] per cent; nine-12 months [illegible] per cent. Under £100,000 [illegible] per cent from [illegible]. Deposits held under Series 5 [illegible] per cent. The rate for all deposits withdrawn for cash [illegible] per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. April 24)

Three months U.S. dollars

bid 8 1/2	offer 8 5/8

Six months U.S. dollars

bid 8 7/8	offer 9

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	10½
Broker loan rate	[illegible]
Fed funds	[illegible]
Fed funds at intervention	—

Treasury Bills

One month	[illegible]
Two month	[illegible]
Three month	[illegible]
Six month	[illegible]
One year	[illegible]

Treasury Bonds

Two year	[illegible]
Three year	[illegible]
Four year	[illegible]
Five year	[illegible]
Seven year	[illegible]
10 year	[illegible]
30 year	[illegible]

FINANCIAL FUTURES

Weaker trend

Sterling based instruments fell in the London International Financial Futures Exchange yesterday in reaction to sterling's weaker trend. Renewed demand for the dollar and diminishing hopes of an early cut in UK base rates effectively precluded any continuation of the recent bullish sentiment.

Gilt prices were marked down in early trading with business described as rather active in relation to recent levels. Values recovered a little during the afternoon as the U.S. bond *market picked up but short* sterling failed to respond and finished nearer to the day's lows.

Euro-dollar prices opened lower, reflecting comments made by Mr Paul Volcker, chairman of the U.S. Federal Reserve Board, that the scope for lower U.S. interest rates was limited by the need to fund the current budget deficit. While this was hardly fresh news to the market, its reiterance removed any incentive to buy and there was a noticeable liquidation of long positions. However, a lower Federal funds rate and an inclination to cover short positions *later in the day left closing* values above the day's lows.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
June	91.08	91.09	90.99	91.15
Sept	90.45	90.47	90.35	90.54
Dec	89.95	89.95	89.84	90.04
March	89.53	89.53	89.42	89.62
June	89.18	—	—	89.27

Estimated volume 7,099 (6,753)
Previous day's open int 17,927 (17,927)

THREE-MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

Estimated volume [illegible]
Previous day's open int [illegible]

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	—	—	[illegible]
Dec	[illegible]	—	—	[illegible]
March	[illegible]	—	—	[illegible]

Estimated volume [illegible]
Previous day's open int [illegible]
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) [illegible] (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

Estimated volume [illegible]
Previous day's open int [illegible]

DEUTSCHE MARKS
DM 125,000 $ per DM

	Close	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	—	—	[illegible]

Estimated volume [illegible]
Previous day's open int [illegible]

SWISS FRANCS
SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
June	[illegible]	—	—	[illegible]

Estimated volume nil (nil)
Previous day's open int [illegible]

JAPANESE YEN
Y12.5m $ per Y100

	Close	High	Low	Prev
June	[illegible]	—	—	[illegible]
Sept	[illegible]	—	—	[illegible]

Estimated volume nil (1)
Previous day's open int [illegible]

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

Estimated volume [illegible]
Previous day's open int [illegible]

U.S. TREASURY BONDS
8% $100,000 32nds of 100%

	Close	High	Low	Prev
June	71-14	71-16	71-08	71-27
Sept	70-12	70-12	70-10	70-26

Estimated volume 1,807 (2,296)
Previous day's open int 2,950 (2,960)

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	71-12
Sept	[illegible]	[illegible]	[illegible]	70-11
Dec	[illegible]	[illegible]	[illegible]	69-13
March	[illegible]	[illegible]	[illegible]	68-18
June	[illegible]	[illegible]	[illegible]	67-26
Sept	[illegible]	[illegible]	[illegible]	67-05
Dec	[illegible]	[illegible]	[illegible]	66-18
March	[illegible]	[illegible]	[illegible]	66-01
June	[illegible]	[illegible]	[illegible]	65-18
Sept	—	—	—	—
Dec	—	—	—	64-24

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	92.03
Sept	[illegible]	[illegible]	[illegible]	91.55
Dec	[illegible]	[illegible]	[illegible]	91.10
March	[illegible]	[illegible]	[illegible]	90.74
June	—	—	—	90.44
Sept	—	—	—	90.18
Dec	—	—	—	89.95
March	—	—	—	89.76

CERT. DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	91.38
Sept	[illegible]	[illegible]	[illegible]	90.78
Dec	[illegible]	[illegible]	[illegible]	90.27
March	[illegible]	[illegible]	[illegible]	89.85

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

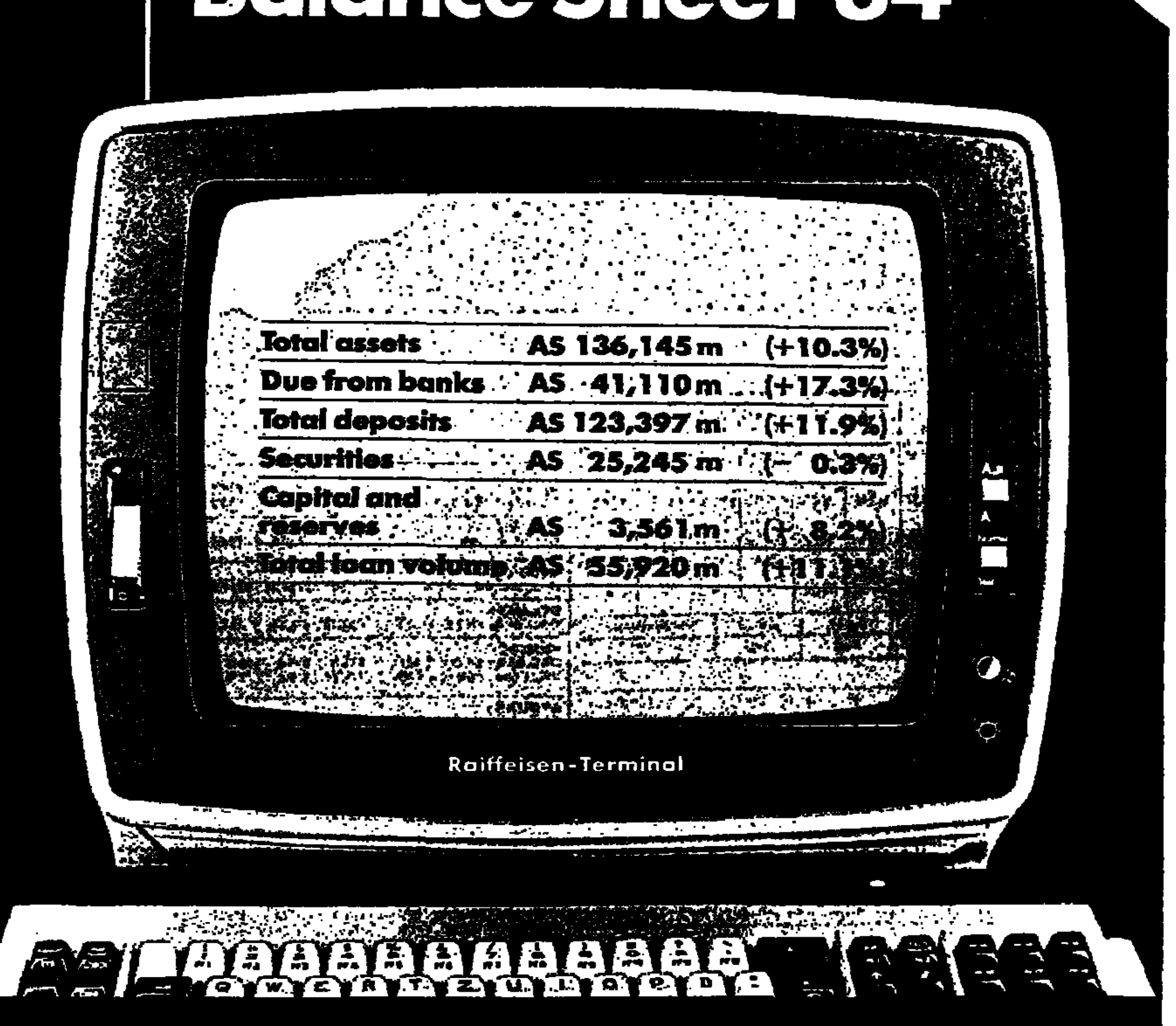
	Latest	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	91.03
Sept	[illegible]	[illegible]	[illegible]	90.41
Dec	[illegible]	[illegible]	[illegible]	89.90
March	[illegible]	[illegible]	[illegible]	89.48
June	—	—	—	89.13
Sept	—	—	—	88.82
Dec	—	—	—	88.54
March	[illegible]	[illegible]	[illegible]	88.28

STERLING (IMM) Se per £

	Latest	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	1.2370
Sept	[illegible]	[illegible]	[illegible]	1.2290
Dec	[illegible]	[illegible]	[illegible]	1.2245
March	—	—	—	1.2265
June	—	—	—	1.2250
Sept	—	—	—	1.2505

GNMA (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	70-03
Sept	—	—	—	69-13
Dec	—	—	—	68-25
March	—	—	—	—
June	—	—	—	67-23
Sept	—	—	—	67-09



FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for April 24.

CAPITAL MARKETS

Nestlé's U.S. unit returns to Eurodollar market

BY MAGGIE URRY IN LONDON

NESTLÉ Holdings, the U.S. subsidiary of the Swiss food company, took another bite at the Eurodollar bond market yesterday with a deal priced the same as its last issue. launched in February. The last issue, for $100m, was one of several controversially priced deals led by Union Bank of Switzerland (Securities). This time the lead manager is Swiss Bank Corporation International.

The market has moved since February, however, and while the earlier deal was priced to give a yield 30 basis points below U.S. Treasury bonds, this one was priced at 3 basis points above Treasuries. The earlier issue is now trading around 98⅝.

Like the last issue, this deal is for $100m with a three year life and a 9⅝ per cent coupon issued at par. The only difference is that yesterday's issue can be extended on new terms for a further three years, with both Nestlé Holdings and investors able to redeem the issue at par at the time of the refix.

As with the previous issue, the bonds are not guaranteed by the Swiss parent, nor will they be listed.

The new bonds were trading yesterday within their 1⅜ per cent fees, and some traders reported retail demand from Swiss investors who like the borrower. Traders also noted that the lead manager had shown good support for the deal.

The Eurodollar bond market weakened again yesterday, taking a lead from a lower New York bond market. Prices fell by ¼ point or so.

S. G. Warburg set the terms for the £75m Malaysia bulldog issue, applications for which are due in this morning. The coupon is 10¾ per cent and issue price 90.705 to give a yield to the 24 year redemption of 11.929 per cent – a margin of 120 basis points above the reference gilt-edged stock.

Mortgage Bank of Denmark took advantage of improved conditions in the Euroyen bond market to launch a Y10bn issue led by LTCB International. The seven-year bonds have a 7 per cent coupon and 99⅝ issue price – seen as fair terms. Fees total 1⅞ per cent and the bonds traded inside that discount.

BHF Bank bond average		
April 24		Previous
101.818		101.866
High	1985	Low
102.860		99.840

Woolworths, the Australian retailer, launched a A$30m issue led by Orion Royal Bank. The bonds have a five year life and the coupon was fixed at 13¼ per cent, with issue price at par. They traded comfortably inside the 2 per cent fees, although of late the Australian currency has been weak.

Westpac Banking, the biggest Australian private sector bank, launched an issue in the European Currency Unit market. The Ecu 50m issue, led by Banque Paribas, is thought to be a swap into floating rate U.S. dollar debt. The seven year bonds have a 9¼ per cent coupon and par issue price and traded around 98½ compared to total commissions of 1⅞ per cent.

Continental bond markets were quiet, with the resurgence of the dollar blamed for some weakness. In the D-Mark foreign bond market prices fell by ⅛ to ¼ point while Swiss franc seasoned bonds were unchanged to ¼ point lower.

Handelsbank set the final terms for its SwFr 40m private placement for Sogo Denki with a 6 per cent coupon and 100¼ issue price compared to the indicated yield of 6¼ per cent.

Figures compiled by the Swiss National Bank show that 53 per cent of money raised for foreign borrowers through private placements in the first quarter went to Japanese borrowers. A total of SwFr 5.6bn worth of private placements was arranged, and SwFr 3.9bn of public issues made for foreign borrowers in the period.

Jordan taps market for $200m credit

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

JORDAN has returned to the Euromarkets for a $200m, eight-year credit mandated yesterday to Arab Bank of Amman.

Terms on the deal are slightly stiffer than those paid by Jordan last year. The credit will bear a margin of ½ per cent over the London interbank offered rate (Libor) for the first four years rising to ⅝ per cent for the next four. Repayments begin after a grace period of four years.

Last year Jordan paid a margin of just ½ per cent on a similar loan, though the maturity and the grace period were shorter at seven and three years respectively.

● In Italy, whose rising trade deficit is making it one of the more active European borrowers this year, Melior Consorzio, the state farm finance agency, is raising about $160m through a seven year credit in dollars, D-Mark and Swiss francs.

Led by Bank of Tokyo International and Morgan Guaranty the dollar portion, totalling $105m, will bear a margin of ⅜ per cent over Eurodollar rates with repayments starting after a four year grace period.

Fixed interest rates will be set later on the other two tranches for DM 85m and SwFr 75m.

OVER-THE-COUNTER

Continued from Page 44

Indices

NEW YORK

TORONTO